



January 10, 2022

MEMORANDUM REPORT

TO: Alice Maroni
Chief Management Officer

FROM: John Seger *John Seger*
Assistant Inspector General for Audits, Evaluations, and Reviews

SUBJECT: Survey of PBGC Contracting Officers' Representatives (SR-2022-05)

This memorandum report presents the results of our survey of PBGC Contracting Officers' Representatives (CORs). We obtained their views of PBGC contract administration and related areas. The survey had positive results overall; however, respondents identified some areas for improvement.

We thank you for your commitment to reducing risk and improving the effectiveness and efficiency of PBGC programs and operations. We also thank PBGC's Enterprise Evaluation Division in the Quality Management Department for administering this survey and the CORs who took the time to complete it.

This report communicates the results of our survey and does not contain recommendations; therefore, no management response is required. This report contains public information and will be posted in its entirety on our website and provided to the PBGC Board of Directors and Congress in accordance with the Inspector General Act.

Summary

Our survey of CORs regarding PBGC's contract administration and related areas had positive results overall, although with some potential areas for improvement. The majority of CORs responding to the survey had six or more years of experience and were mid- to senior-level employees. Most respondents agreed with statements regarding having enough time for COR duties, receiving adequate training, and other areas. Respondents also indicated they were knowledgeable about various areas related to their COR duties, such as reviewing contractors' invoices. One potential area for improvement is the timeliness of the source selection process. In addition, turnover

among Contracting Officers (COs) was the most common response to an open-ended question regarding challenges facing CORs.

Background

PBGC guarantees the retirement benefits of over 35 million workers and retirees through insurance coverage with single employer and multiemployer plan sponsors. The Corporation is directly responsible for the pension benefits of about 1.5 million current and future retirees in trustee pension plans and pays over \$6 billion a year in benefits. Because of its vital mission and operating model, one of the three strategic goals articulated in PBGC's Strategic Plan is to "maintain high standards of stewardship and accountability."

Role of Contracting Officers' Representatives in Contract Administration

PBGC relies heavily on contractors to meet its mission. In FY 2021, PBGC obligated \$591 million in contracting dollars. As a result, PBGC relies on CORs to ensure the work is performed efficiently and effectively under these contracts. The Procurement Department (PD) within PBGC's Office of Management and Administration (OMA) is responsible for the acquisition of all goods and services used by PBGC to accomplish its mission.

CORs help administer PBGC's contracts. Their role in contract administration helps ensure that the government receives what it pays for, including through monitoring the timeliness and quality of contractors' work. Contract administration includes communication between the COR and the contractor starting at the time the contract is awarded. COs in PD have primary responsibility for contracting and they delegate contracting administration responsibilities to CORs in program offices. According to the Federal Acquisition Regulation (FAR) § 2.101, a COR is an individual "designated and authorized in writing by the contracting officer to perform specific technical or administrative functions." CORs are selected based on technical and professional competencies and should have the time available to serve as CORs.

Details

Scope and Methodology

We obtained a list of PBGC's CORs from the Corporate Controls and Reviews Department, and the Enterprise Evaluation Division in the Quality Management Department sent our survey to PBGC's 97 CORs. We received 57 responses for a response rate of 59%. The survey was conducted from August 31, 2021, through

September 21, 2021. The survey consisted of 12 questions, including 2 open-ended questions.

COR Survey Results

In response to a question regarding years of experience as a COR, 79% of survey respondents reported 6 or more. Table 1 provides more details.

Table 1. CORs' Years of Experience

Years	Percentage of CORs
More than 10 years	42%
6 to 10 years	37%
3 to 5 years	11%
1 to 2 years	7%
Less than 1 year	4%
Total	100%¹

Regarding current grade level, 98% of the CORs are GS-12 or above, as detailed in Table 2.

Table 2. CORs' Grade Level

Grade Level	Percentage of CORs
9 to 11	0%
12 to 14	84%
15 to SL/SES	14%
Other, please specify	2%
Total	100%

¹ Due to rounding, totals for answer choices for some questions may not be 100%.

In response to the number of contracts CORs typically work on at one time, 75% of survey respondents manage between 1 and 4 contracts. Table 3 provides more details.

Table 3. Number of Contracts CORs Manage at the Same Time

Number of Contracts	Percentage of CORs
1 to 2	51%
3 to 4	24%
5 to 6	5%
7 or more	20%
Total	100%

Regarding time spent on COR duties, 55% of the CORs spend 49% or less of their time working on contracts. Table 4 provides more details.

Table 4. Percentage of Time Spent on COR Duties

Time Spent on COR Duties	Percentage of CORs
Less than 25%	31%
25% to 49%	24%
50% to 75%	20%
76% to 99%	17%
100%	7%
I do not know	0%
Total	100%²

Of survey respondents, 69% manage contracts with an annual total value of up to \$5 million. Table 5 contains more details.

² Due to rounding, totals for answer choices for some questions may not be 100%.

Table 5. Annual Total Value of Contracts CORs Administer

Total Value of Contracts	Percentage of CORs
\$0 to \$25,000	2%
\$25,001 to \$100,000	7%
\$100,001 to \$1 million	30%
\$1,000,001 to \$5 million	39%
More than \$5 million	22%
Total	100%

Eighty-nine percent of respondents reported that their performance appraisals included their COR activities. Table 6 provides more details.

Table 6. Annual Performance Appraisal

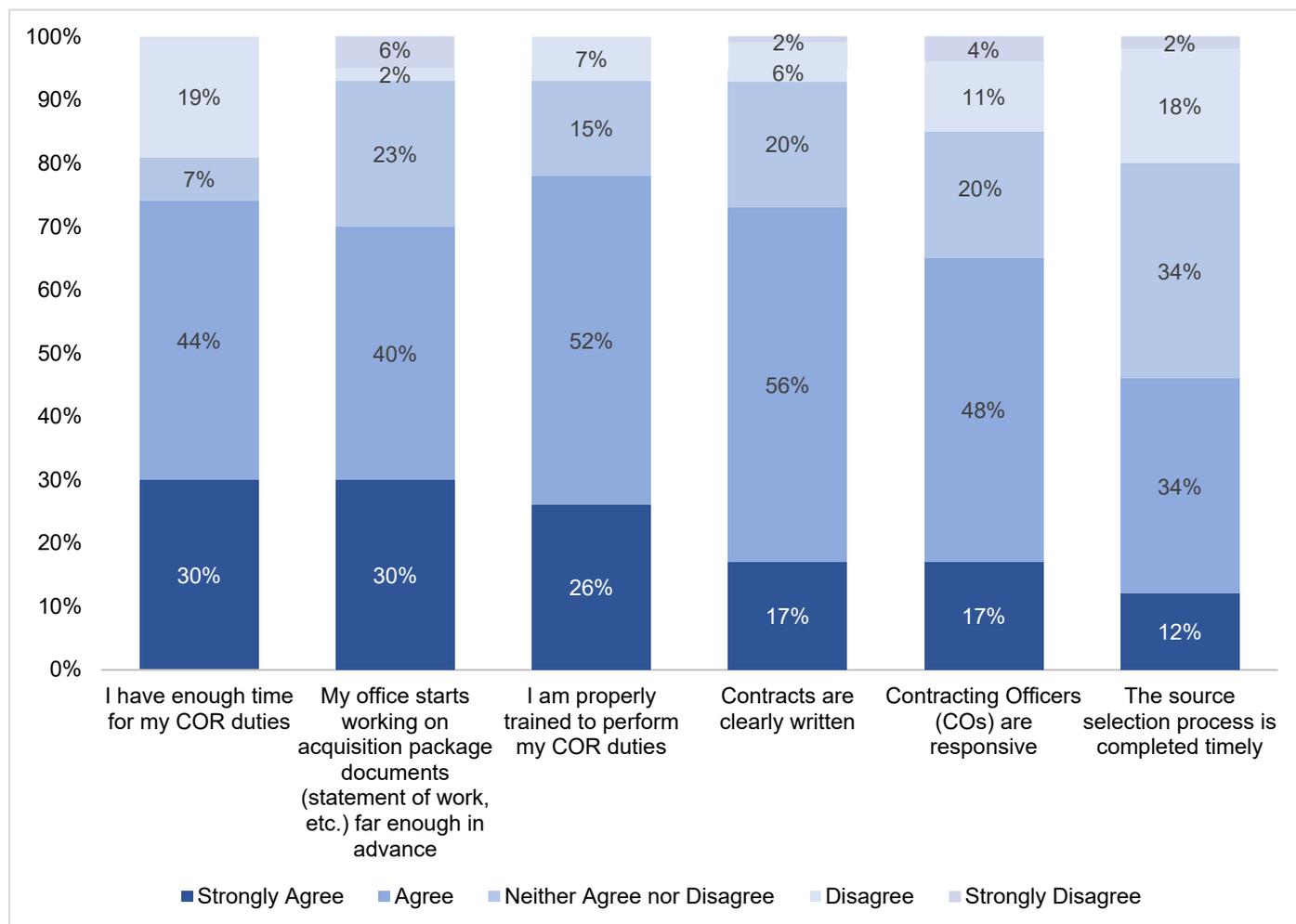
Included COR Activities	Percentage of CORs
Yes	89%
No	6%
I do not remember	6%
Total	100%³

We asked CORs to rate their level of agreement with six statements. Most of the respondents rated their level of agreement as strongly agree or agree. The level of agreement ranged from 65 to 78% for most items, but only 46% of the CORs strongly agreed or agreed that the source selection process is completed timely. CORs being properly trained had the highest level of agreement, with 78% of the CORs selecting strongly agree or agree. In addition, 74% of the CORs strongly agreed or agreed that they have enough time for their COR duties, 73% of the CORs strongly agreed or agreed that the contracts are clearly written, 70% of the CORs strongly agreed or agreed that their office starts working on acquisition package documents (statement of

³ Due to rounding, totals for answer choices for some questions may not be 100%.

work, etc.) far enough in advance, and 65% of the CORs strongly agreed or agreed that COs are responsive. See Figure 1 for more details.

Figure 1. CORs' Level of Agreement



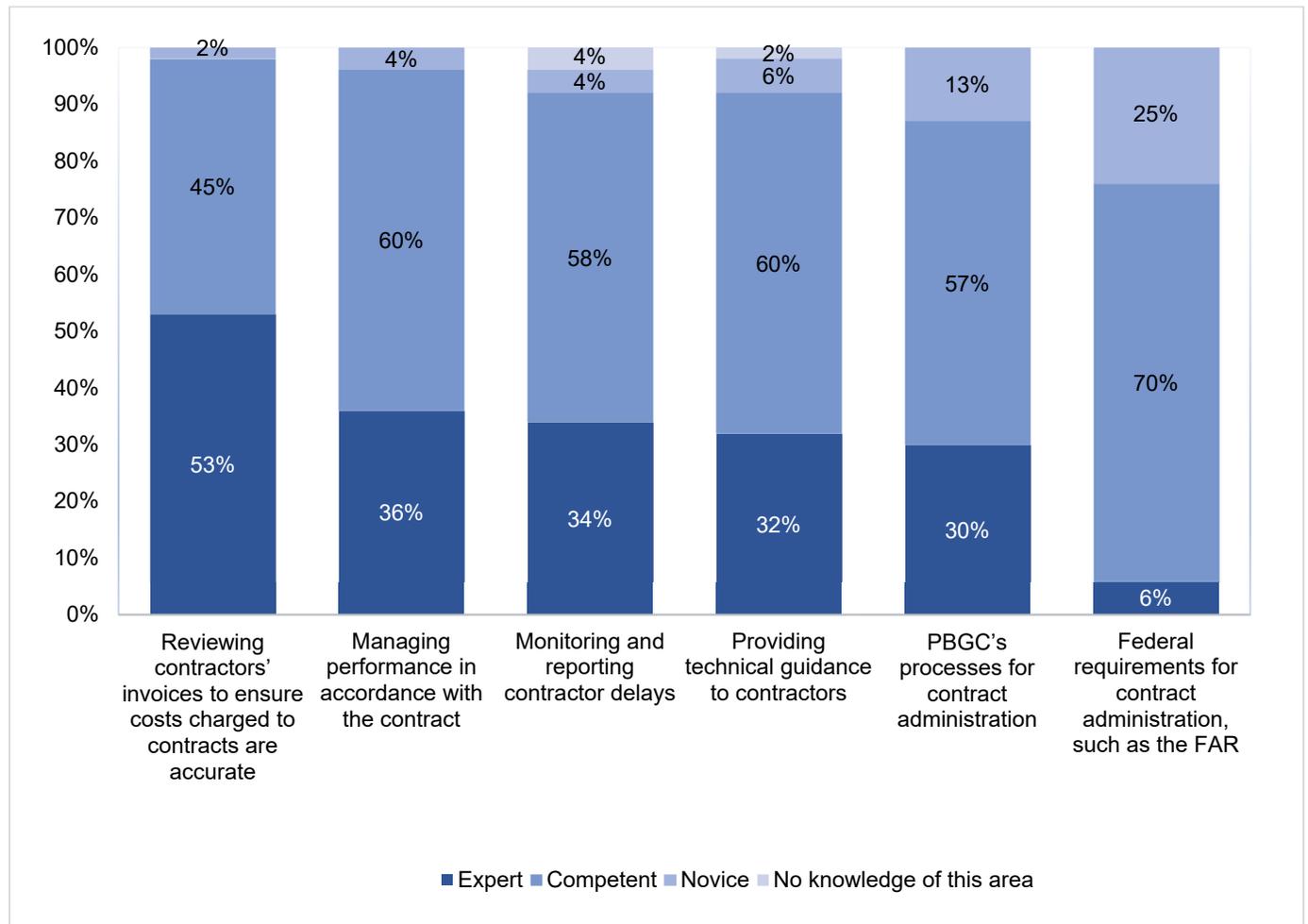
Source: OIG analysis of PBGC COR Survey Results⁴

We asked CORs to rate their levels of proficiency in six areas. The majority of respondents rated themselves as an expert or competent in areas of monitoring and reporting delays, managing contract performance, reviewing invoices, providing technical guidance, PBGC processes, and federal requirements. Specifically, 98% of the CORs rated themselves highly (expert or competent) in reviewing contractors'

⁴ Due to rounding, totals for answer choices for some items may not be 100%.

invoices to ensure costs charged to the contracts are accurate, and 96% rated themselves highly in managing performance in accordance with the contract. In addition, 92% of the CORs rated themselves highly in monitoring and reporting contractor delays, 92% rated themselves highly in providing technical guidance to contractors, and 87% rated themselves highly in PBGC's processes for contract administration. Finally, 76% rated themselves highly in federal requirements for contract administration, such as the FAR. See Figure 2 for more details.

Figure 2. CORs' Proficiency Level



Source: OIG analysis of PBGC COR Survey Results⁵

We also asked CORs, “Who is primarily responsible for the day-to-day communication with contractors?” Of the CORs who answered, 85% reported that as the COR, they are responsible for daily communication with contractors. The remaining 15% responded

⁵ Due to rounding, totals for answer choices for some items may not be 100%.

that they share the communication responsibilities with another PBGC employee or that another PBGC employee is responsible for communication.

The survey included an open-ended question about the biggest challenges respondents faced as CORs, and the most frequent response was high turnover in COs (13 respondents). Other challenges were inconsistent procurement processes or requirements (9 respondents), and PD and OGC (Office of the General Counsel) reviews causing delays (5 respondents). We noted PBGC mandated OGC review more procurement actions starting in 2020 following illegal actions by the former PD Director.

In response to an open-ended question on improving contract administration at PBGC, frequent responses recommended PD improve or streamline procurement processes (11 respondents). Some CORs recommended PD improve communication, including regarding changes (6 respondents). Other recommendations included that PD and OGC improve their review process (5 respondents).

Conclusion

Overall, the COR survey results were positive. The majority of respondents reported they had sufficient time and training for their responsibilities as CORs. Most respondents rated their own competency highly. Some of the respondents identified areas for improvement, such as the timeliness of the source selection process, turnover in COs, communication with PD, and PD and OGC review processes.

We appreciate the cooperation you and your staff extended to us during this project. If you have questions or comments, please contact me at (202) 229-3315, or Audit Manager Kara Burt at (202) 718-7793.

cc: Kristin Chapman, Chief of Staff
Russ Dempsey, General Counsel
Frank Pace, Director, Corporate Controls and Reviews Department
Latrece Wade, Risk Management Officer
Juliet Felent, Director, Procurement Department
Diane Braunstein, Director, Quality Management Department
Phyllis Gaskins, Manager, Enterprise Evaluation Division
Department of Labor Board staff
House committee staff (Education and Workforce, Ways and Means, HOCR)
Senate committee staff (HELP, Finance, HSGAC)