



Office of Inspector General

**FINAL CLOSE-OUT, SECOND FOLLOW-UP REVIEW
ON FLRA'S APPOINTMENT OF CONTRACTING
OFFICER'S REPRESENTATIVES**

**FINAL CLOSE-OUT,
SECOND FOLLOW-UP
REVIEW ON FLRA'S
APPOINTMENT OF
CONTRACTING OFFICER'S
REPRESENTATIVES**

**Report No. MAR-23-02
February 2023**

Federal Labor Relations Authority
1400 K Street, N.W. Suite 250, Washington, D.C. 20424

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Acronyms

ASD	Administrative Services Division (includes contracting)
COR	Contracting Officer's Representative
EIS	Enterprise Infrastructure Solutions
FAR	Federal Acquisition Regulation
FLRA	Federal Labor Relations Authority
GAO	Government Accountability Office
OFPP	Office of Federal Procurement Policy
OIG	Office of Inspector General

Final Close-Out, Second Follow-up Review on FLRA's Appointment of Contracting Officer's Representatives

Report No. MAR-23-02

February 14, 2023

Susan Tsui Grundmann, Chairman

This report presents the results of our second follow-up review on the Federal Labor Relations Authority's (FLRA) Appointment of Contracting Officer's Representatives (COR). Our work was limited to reviewing, as of February 1, 2023, the actions taken to implement the one recommendation from our first follow-up report, MAR-22-05, dated March 25, 2022.

Objective

The objective of this follow-up review was to determine whether FLRA corrected the one remaining open recommendation from the first "Follow-up Management Advisory Review on FLRA's Appointment of Contracting Officer's Representatives (MAR-22-05)" that was issued May 25, 2022.

Results in Brief

Our second follow-up review indicated that the recommendation is no longer relevant and closed it. This report represents the final close-out of the initial Management Advisory Review of FLRA's Appointment of Contracting Officer's Representatives (MAR-20-07).

Background

In September 2020, the FLRA Office of Inspector General (OIG) completed a "Management Advisory Review of FLRA's Appointment of Contracting Officer's Representatives (MAR-20-07). To improve controls, we made six recommendations. In May 2022, we issued our first follow-up review (MAR-22-05) and closed five of the six recommendations. The second follow-up review was conducted to determine whether the one remaining open recommendation had been resolved or alternatively, implemented.

Federal agencies spend a significant amount of their budgets on contracted goods and services. Our 2020 report on FLRA's appointment of CORs found that, FLRA obligated approximately 11.6 percent of its budget on contracted items (for Fiscal Year 2019). Regarding Federal contracts, a Government Accountability Office (GAO) study noted that, "[E]ffective contract oversight, which includes effective internal controls throughout the contracting process, is essential to protecting government and taxpayer interests."¹

To help agencies effectively manage the contracting process, Congress established the Office of Federal Procurement Policy (OFPP) within the Office of Management and Budget. OFPP put into place certification and training requirements that apply to Contracting Officers and CORs² (collectively referred to as Acquisition Staff in this report). These requirements are effectuated

¹ United States GAO, *Contract Audits: Role in Helping Ensure Effective Oversight and Reducing Improper Payments*, GAO-11-331T (2011) <https://www.gao.gov/assets/130/125451.pdf>

² OFPP has requirements for program and project managers but is not a topic discussed further within this report.

through the Federal Acquisition Institute. In addition, the Federal Acquisition Regulation (FAR), which controls much of the federal contracting process, also has rules governing Acquisition Staff and their duties.

Results of Review

Based on the second follow-up review we conducted, the following is the implementation status of the one remaining recommendations:

- 1. Recommendation 5. The Director, Administrative Services Division (ASD), appoint CORs as soon as it is apparent that there is a need for a product or service that will be acquired and a COR will be needed.**

In the prior follow-up review we found that FLRA had not yet appointed a COR to the Enterprise Infrastructure Solutions (EIS) contract. The OIG agreed to close out Recommendation 5 once a COR had been appointed. We determined that FLRA had not appointed a COR to the awarded vendor under the EIS contract. While FLRA did not appoint a COR to the EIS contract, the EIS contract is terminated and no longer active effective January 31, 2023. Therefore, we are closing out Recommendation 5.

During the follow-up, FLRA noted that there is a qualified staff who could be appointed as COR to the EIS or similar contract; however, FLRA noted that a COR for a firm-fixed priced contract is not required by FAR and is at the discretion of the contracting officer. COR appointments to future contract awards to EIS or similar would be at the discretion of the contracting officer.

Status: The recommendation has been closed.

Appendix 1: Objectives, Scope, and Methodology

The objectives of this follow-up review were to determine whether the FLRA acceptably resolved and implemented Recommendation five made in our report, MAR 20-07, and whether the recommendation should be closed. Our fieldwork was conducted September 7, 2022, through February 1, 2023, with information provided through FLRA's offices in Washington, DC.

We interviewed and had discussions with the ASD Director and the contracting officer. We received and reviewed contract documentation related to the EIS award and termination.

All the requested information that was provided, together with management comments about recommendation implementation were reviewed and evaluated to determine compliance with the MAR-20-07 report recommendation five. We documented all the review activity and began drafting a report on the implementation of the recommendations. An advanced copy of the draft report was provided to management; however, since no new findings or recommendations were made, no comments from FLRA management were necessary.

Appendix 2: Report Distribution

Federal Labor Relations Authority

The Honorable, Colleen Duffy Kiko, Member

Michael Jeffries, Executive Director

Pershette Wakefield, Director, Administrative Services Division

Contacting the Office of Inspector General

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