

U.S. Department of Labor

Office of Inspector General—Office of Audit

OFFICE OF JOB CORPS



BOSTON REGIONAL OFFICE PROCUREMENT OF JOB CORPS CENTER OPERATOR AND SERVICE PROVIDERS IN PUERTO RICO

Date Issued: September 29, 2006
Report Number: 26-06-002-01-370

**U.S. Department of Labor
Office of Inspector General
Office of Audit**

BRIEFLY...

Highlights of Report Number: 26-06-002-01-370,
to the National Director of Job Corps.

WHY READ THE REPORT

Contracts for Job Corps center operators, outreach and admissions providers, and career transition specialists account for a majority of the approximately \$1.5 billion Job Corps annual budget. Procurement for those services is handled through the Regional Offices of Job Corps. A complaint was filed against the Boston Regional Office, alleging the office engaged in abusive procurement practices that resulted in the award of a contract with a 5-year value of over \$80 million on a noncompetitive basis in violation of Federal procurement laws and regulations.

WHY OIG DID THE AUDIT

Our audit objectives were to determine (1) if the allegations of procurement abuse brought against the Boston Regional Office were valid and substantiated, (2) whether there are any former DOL Job Corps employees working for the incumbent contractor/offeror, and (3) whether the Boston Regional Office complied with applicable laws and regulations in the procurement included in the hotline complaint.

READ THE FULL REPORT

To view the report, including the scope, methodology, and full agency response, go to:
<http://www.oig.dol.gov/public/reports/oa/26-06-002-01-370.pdf>

September 2006

Boston Regional Office Procurement of Job Corps Center Operator and Service Providers in Puerto Rico

WHAT OIG FOUND

We found that the allegations were not substantiated. In addition, we did not find former DOL Job Corps employees working for the incumbent contractor/offeror and the Regional Office complied with the intent of applicable laws and regulations, except for not promptly providing offerors who did not meet the competitive range the basis for their being excluded from further consideration for the contract.

WHAT OIG RECOMMENDED

We recommended that the National Director of the Office of Job Corps:

- Update the Job Corps Procurement Compendium to include the Federal Acquisition Regulation requirement that the notice to offerors not meeting the competitive range is to be provided "promptly."
- Ensure the Regional Director of the Boston Regional Office of Job Corps issue written guidelines for the office to comply with the Federal Acquisition Regulation requirement to promptly provide an offeror whose score did not meet the competitive range the basis for why they were excluded from further consideration for a contract.

The National Director of Job Corps responded that the agency concurred with the first recommendation. However, she stated that because contracting authority was being transferred from the Job Corps Regional Directors to OASAM Contracting Officers, the second recommendation is no longer applicable. She further stated that during scheduled training for the OASAM Contracting Officers, the issues identified in the report will be emphasized.

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Executive Summary

We completed an audit of allegations concerning the Request for Proposal to operate three Puerto Rico Job Corps centers and outreach, admissions, and career transition services for Puerto Rico and the Virgin Islands. In January, 2006, the Request for Proposal resulted in an \$80 million contract award (two base years and three option years).

The complaint alleged Boston Regional Office Job Corps officials engaged in five abusive procurement practices that impacted the contract award. These were:

1. The Boston Regional Office Contracting Officer and Contract Specialist were together with executives of the Incumbent Contractor's (offeror) at all times from May 3 through May 5, 2005 (Pre-Proposal conference and site visits) and traveled with the executives in the same vehicles.
2. The Contracting Officer did not provide the answers to questions during the pre-proposal conference.
3. The Contracting Officer and Contract Specialist did not provide information requested by the complainant/offeror's that the complainant/offeror believed to be releasable under FOIA.
4. The complainant/offeror was not allowed an administrative hearing (after the complainant/offeror's offer was rejected) and information regarding the price offered by the competition was withheld from the complainant/offeror.
5. The Boston Regional Office did not provide the complainant/offeror an explanation of how the competitive range was established and information about the competitive range.

Based on the above allegations, we developed an audit objective to determine whether the Regional Office used abusive procurement practices as alleged in the complaint. In addition to our objective regarding the five allegations, we added an objective to answer the complainant's question of whether there are any former Department of Labor Job Corps employees working for the incumbent contractor/offeror. As part of our work in determining whether the allegations were valid, we included an objective to determine whether the procurement process and award of the contract in January, 2006, complied with applicable procurement laws and regulations. We limited our audit to the specific procurement identified in the allegation and, therefore, did not audit all procurement actions of the Boston Regional Office.

Results

Based on the fact the five allegations were not substantiated, we found the Boston Regional Office did not use abusive procurement practices related to those allegations in procuring the services for the Puerto Rico contract.

In addition, we did not find evidence that former employees of Job Corps are working for the incumbent contractor/offeree.

Overall, we concluded the Boston Regional Office complied with the intent of applicable procurement laws and regulations. However, we identified the following areas of the Federal Acquisition Regulation (FAR) for which improvement in the office's procedures are needed:

- promptly notifying the offeror who was excluded from further award consideration because of not meeting the competitive range, and
- providing the basis (major weaknesses) for why the offeror was excluded.

FAR provides a Federal agency the ability to limit offerors responding to Request for Proposals to those whose proposals meet minimum scores (competitive range) based on technical evaluations by a procurement panel. The regulation requires a Federal agency to "promptly" notify offerors if their proposals do not meet the competitive range and include the basis for why the offeror was excluded. Job Corps applies the requirements of FAR and the Department of Labor Acquisitions Regulations (DOLAR) through the use of the Job Corps Procurement Compendium (Compendium). The Compendium is used to assist Regional Office staff in properly documenting required procurement decisions and activities by providing examples and models that can be customized for each procurement. We found that although the Compendium does include the requirement for notifying excluded offerors because of not meeting the competitive range, it does not include a reference to "prompt" notification. While the Regional Office notified the complainant/offeree that the company's proposal did not meet the competitive range, the notification was made 2 months after the proposal was evaluated and a competitive range established. We concluded 2 months does not meet the regulation's intent for prompt notification.

The Compendium identifies the basis for exclusion that should be included in the notification as "major weaknesses" in the proposal. The complainant/offeree's notification did not have detail information that could be used to understand why their proposal was not sufficient to meet the competitive range.

Recommendations

We recommend the National Director of Job Corps:

1. Update the Job Corps Procurement Compendium to include the Federal Acquisition Regulation requirement that the notice to offerors not meeting the competitive range is to be provided “promptly.”
2. Ensure the Regional Director of the Boston Regional Office of Job Corps issues written guidelines for the office to comply with the Federal Acquisition Regulation requirement to promptly provide an offeror whose score did not meet the competitive range the basis for why they were excluded from further consideration for a contract.

Agency Response

The National Director for the Office of Job Corps responded that the agency concurs with the first recommendation and will implement the recommendation. However, she stated that because contracting authority was being transferred from the Job Corps Regional Directors to OASAM Contracting Officers, the second recommendation is no longer applicable. She further stated that during scheduled training for the OASAM Contracting Officers, the issues identified in this report will be emphasized.

OIG Conclusion

Based on the response, the recommendations are resolved. Although we continue to consider the second recommendation applicable, it can be closed once the OIG is provided evidence Regional Directors no longer have contract authority for awards to Job Corps center operators, outreach and admissions providers, and career transition service providers.

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U.S. Department of Labor

Office of Inspector General
Washington, DC 20210



Assistant Inspector General's Report

Ms. Esther Johnson
National Director
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U. S. Department of Labor
200 Constitution Avenue, N.W.
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Based on allegations included in a hotline complaint, the Office of Inspector General (OIG) audited information related to the Boston Regional Office's Request for Proposal (RFP) to operate three Puerto Rico (PR) Job Corps centers and outreach, admissions, and career transition services (O/A, CTS) for Puerto Rico and the Virgin Islands. The contract was awarded in January 2006, subsequent to the OIG receiving the complaint. The total value of the award was over \$80 million, including three option years.

The following table presents each allegation and our conclusion on whether the allegation was substantiated.

ALLEGATION	AUDIT CONCLUSION
1. The Boston Regional Office Contracting Officer and Contract Specialist were together with executives of the Incumbent Contractor's (offeror) executives at all times from May 3 through May 5, 2005 (Pre-Proposal conference and site visits) and traveled with the executives in the same vehicles.	Not substantiated
2. The Contracting Officer did not provide answers to questions during the pre-proposal conference.	Not substantiated
3. The Contracting Officer and Contract Specialist did not provide information requested by the complainant/offeror that the complainant/offeror believed to be releasable under FOIA.	Not substantiated

4. The complainant/offeror was not allowed an administrative hearing (after the complainant/offeror's offer was rejected) and information regarding the price offered by the competition was withheld from the complainant/offeror.	Not substantiated
5. The Boston Regional Office did not provide the complainant/offeror an explanation of how the competitive range was established and information about the competitive range.	Not substantiated

The complainant/offeror also questioned whether former DOL Job Corps employees were working for the incumbent contractor/offeror. We did not find evidence of former DOL Job Corps employees working for the incumbent contractor/offeror. Further, the Regional Office followed applicable procurement laws and regulations except for not promptly providing the complainant/offeror details explaining why the complainant/offeror's bid did not meet the competitive range, and, therefore, the complainant/offeror was no longer being considered for the contract.

Our audit scope, methodology, and criteria are detailed in Appendix B.

Objective 1 – Are the Allegations of Procurement Abuse Brought Against the Boston Regional Office Valid and Substantiated?

Results – Allegations that the Boston Regional Office Used Abusive Procurement Practices Were Not Valid and Not Substantiated.

Based on our determination that the five allegations brought against the Boston Regional Office of Job Corps are not valid and not substantiated, we found that the Regional Office did not use abusive procurement practices in the areas related to the allegations. The allegations and the results related to each allegation are presented below.

- a. The Boston Regional Office Contracting Officer and Contract Specialist were together with executives of the Incumbent Contractor's (offeror) executives at all times from May 3 through May 5, 2005 (Pre-Proposal conference and site visits) and traveled with the executives in the same vehicles.**

The allegation is not substantiated.

The allegation implies that the Contracting Officer and Contract Specialist separated themselves from other offerors, except executives of the incumbent contractor, during the 3 days of the pre-proposal conference and site visits, including traveling exclusively with executives of the incumbent contractor. The minutes of the pre-proposal conference and site visits included information that shows an overall

interaction by the Contracting officer and Contract Specialist with all participants during the conference and site visits. The Job Corps Procurement Compendium (Compendium), a Job Corps document that applies the FAR and Department of Labor Acquisition Regulations (DOLAR) to assist Regional Office staff in properly documenting required procurement decisions and activities, requires the incumbent contractor to provide logistics (transportation) for all participants at site visits during the procurement process.

The Contracting Officer told the auditors that the incumbent contractor was required to provide vans to transport those in attendance for one site visit and that any prospective bidder could have ridden with anyone else involved in the walk-through.

We also found that the Contracting Officer and Contract Specialist rented their own vehicle during the 3 days they were involved in the conference and site visits.

We concluded the Contracting Officer and Contract Specialist did not show favoritism to the incumbent contractor during the pre-proposal conference and site visits by excluding other participants or traveling exclusively with the incumbent contractor.

b. The Contracting Officer did not provide answers to questions during the pre-proposal conference.

The allegation is not substantiated.

Based on information obtained during the audit, we found the Regional Office policy for questions on an RFP provides for written questions before the pre-proposal conference and questions and answers during the pre-proposal conference. Using information provided by the complainant/offeror and official records maintained by the Regional Office, we found questions asked before or during the pre-proposal conference were answered by contracting officials in accordance with their policy and instructions provided in the Request for Proposal.

The Compendium states that during the pre-proposal conference, answers to written questions and answers to additional questions posed by the conference participants will be provided. Although names of participants who asked questions are not included in the meeting minutes, we found the minutes of the pre-proposal conference did include questions by participants that were shown as answered during the conference.

We concluded the Contracting Officer did provide answers to questions asked during the pre-proposal conference.

c. The Contracting Officer and Contract Specialist did not provide information requested by the complainant/offeror that the complainant/offeror believed to be releasable under FOIA.

The allegation is not substantiated.

In letters dated May 13, 2005, and June 1, 2005, the complainant/offeror requested the following information from the Contract Specialist:

1. Current salaries and positions (executive, administrative, skill and not skill, academic and vocational personnel) for the Puerto Rico and Virgin Island Job Corps centers.
2. Fringe benefits currently paid to employees per center.
3. Organizational Chart per center
4. List of subcontractors (including professional services) per center and cost of current contracts.
5. Incentive stipend currently paid per students and maximum stipend allowed (residential and nonresidential).
6. Puerto Rico Workforce Investment Plan Goals.
7. Current approved budget for the General and Administrative expense accounts for the three centers of Puerto Rico and the Virgin Islands.

The Contract Specialist sent a letter to the complainant/offeror dated May 20, 2005, responding to the requested information. Responses provided for each question are as follows:

- Contained in amendment 1 is the National Office Staff Compensation Report which provides you with the common position titles and the salary ranges for each position. It is incumbent upon the bidder to propose those positions that they feel will best lead to an efficient operation of the centers. The current salaries and positions located at the centers is not releasable, this information is proprietary in nature to the current contract holder.
- As with question 1 this information is not releasable, this information is proprietary in nature to the current contract holder.
- As with the above two questions this information is proprietary in nature.
- This information is proprietary in nature to the current contract holder and as such is not releasable.

- This information is located and available in the Job Corps Requirements Handbook (PRH) in Chapter 5. A link is provided in the PRH, this link will allow you to download a copy of the current PRH.
- Enclosed is a copy of the current Puerto Rico Workforce Investment Plan Goals.

Question 7 is from the complainant/offeree's letter of June 1, 2005, and came after the response was provided by the Contract Specialist. However, we conclude the requested information would not be releasable based on the same proprietary rules used for questions 1– 4.

The information shown as not releasable because of its proprietary nature is protected from disclosure under rules included in the Job Corps Compendium. For example, under section 2.27, Freedom of Information Requests, the Contracting Officer is not to make available to any person information protected from disclosure by the deliberative process privilege under FOIA Exemption 5. It also states that the Contracting Officer is not to make available to any person information that is deemed to be proprietary. This section states that FOIA Exemption 5 covers information used by the agency to make vital contractual decisions for the proper administration of a center. The information requested relates to the incumbent contractor/offeree's personnel salary structure, company benefit policies, financial agreements with subcontractors, and company internal management structure. The Boston Regional Office determined that this type of information is proprietary and, therefore, not subject to public release.

Although FAR 15.201 encourages exchanges of information from the earliest identification of a requirement through receipt of proposals, it states that such exchanges of information must be consistent with procurement integrity requirements of FAR 3.104. This FAR section includes a prohibition on disclosing such contractor information as bid, proposal, or source selection before the award of a Federal agency procurement contract.

The Contracting Officer and Contract Specialist did not improperly withhold information from the complainant/offerees because the information requested was not releasable (under FOIA) in accordance with DOL and FAR guidelines.

- d. The complainant/offeree was not allowed an administrative hearing (after the complainant/offeree's offer was rejected) and information regarding the price offered by the competition was withheld from the complainant/offeree.**

The allegation is not substantiated.

The Job Corps Compendium requires regional contracting officials to notify offerors (in writing) when their bid does not meet the competitive range. In

addition, the notification should provide an explanation why the offeror's bid did not meet the competitive range, and afford the offeror an opportunity for a debriefing. FAR 15.505 (c) allows the Contracting Officer to decide whether the debriefing will be oral or written. The complainant/offeror was notified on September 14, 2005, that a telephone debriefing could be requested, either pre-award or post-award. However, we did not find evidence in the contract file that the complainant/offeror requested a debriefing.

FAR 15.306 d (2) provides for discussions with offerors who are within the competitive range in order to ensure the government's best interest are served. However, the complainant/offeror's bid was not within the competitive range, and as a result, we concluded a mandatory discussion with the complainant/offeror was not required.

The Regional Office properly withheld bids of other offerors from the complainant/offeror in compliance with FAR 3.104-3(a)(1). This FAR section specifically prohibits the disclosure of bids or proposal information before the award of a Federal agency procurement contract to which the information relates.

We concluded that the Regional Office followed the Compendium in providing the complainant/ offeror an opportunity to discuss their proposal and properly withheld bid information on other offerors from the complainant/offeror.

e. The Boston Regional Office did not provide the complainant/offeror an explanation of how the competitive range was established and information about the competitive range.

The allegation is not substantiated.

Although the Regional Office did not provide the complainant/offeror an explanation of how the competitive range was established or the actual competitive range that was established, this was not against the rules provided in the FAR or the Compendium. FAR 15.503 (a)(1) and Section 2.12 of the Compendium require the Regional Office to provide an offeror who did not meet the competitive range details explaining the basis for the exclusion. The Job Corps Compendium does not provide specific details of what constitutes information that should be discussed in the notification, but rather states "major weaknesses found in the proposal of an unsuccessful offeror" as an example of the details needed. The Job Corps Compendium Section 2.27 states that information such as ratings used by the agency to make vital contract decisions on the proper administration of centers is protected from disclosure by FOIA Exemption 5. The competitive range determination uses technical scores of all offerors and would, therefore, be excluded from disclosure.

In addition, FAR 2.101 (5) and (7) cite technical evaluations of proposals and competitive range determinations that identify proposals that have a reasonable chance of being selected for award of a contract as “source selection information.” FAR 3.104-3(a)(1) states that contractor bid or proposal information or source selection information shall not be disclosed before the award of a Federal agency procurement contract.

The Boston Regional Office was not required to provide the complainant/offeror an explanation of how the competitive range was established or the actual competitive range that was used to award the contract. DOL guidelines do not identify “competitive range” information as releasable to an offeror.

Objective 2 – Are There Any Former DOL Job Corps Employees Working for the Incumbent Contractor/Offeror?

Results – Former Employees of Job Corps Are Not Working for the Incumbent Contractor/Offeror for the Puerto Rico Job Corps Center

Based on our analysis of the staffing resources included in the incumbent contractor/offeror’s proposal, we did not find evidence that former DOL Job Corps employees are working for the incumbent contractor/offeror. Boston Regional Office officials stated they did not know of any former DOL Job Corps employees who are working for the incumbent contractor/offeror. In addition, the complainant/offeror could not provide any information that would provide evidence of this potential conflict of interest.

Objective 3 – Did the Boston Regional Office Comply with Applicable Laws and Regulations for the Procurement Included in the Hotline Complaint?

Results – The Boston Regional Office Followed Applicable Procurement Laws and Regulations Except for Not Promptly Providing the Complainant/Offeror the Basis for Explaining Why the Complainant/Offeror’s Bid Did Not Meet the Competitive Range and that the Complainant/Offeror Was No Longer Being Considered for the Puerto Rico Job Corps Contract

The Job Corps Compendium is designed to be used by Job Corps Regional Office personnel to apply the procurement policies and procedures included in the FAR and DOLAR. The Compendium is used by the Regional Office to ensure proper procurement of center operators and outreach and admission and career transition service providers.

The Compendium requires the Regional Office to notify offerors if their bid does not meet the competitive range. In addition, Job Corps contracting officials are required to

provide offerors information explaining why their bid did not meet the competitive range. We found two issues with the notification process that did not comply with the requirements found in FAR. First, FAR requires a prompt notification to those not meeting the competitive range and second there is a requirement to provide the basis for why the offeror did not meet the competitive range.

We found that the Regional Office did not notify the complainant/offeror until 2 months after the range was determined and it was documented that the offeror did not meet the required competitive range. Although FAR did not provide a definition of what is considered a prompt notification, we believe 2 months would not satisfy the intent of the requirement. Moreover, the Compendium does not address the “prompt notification” requirement, even though it is included in the FAR.

The regional Contracting Officer stated that because of the large number of deficiencies in the complainant/offeror’s proposal, evidenced by the the complainant/offeror’s score of 26.16 out of a possible 100 points, to explain why the proposal did not meet the competitive range would have taken too much time and would not have been an inefficient use of staff resources. However, by not following the requirements of FAR, the Regional Office did not ensure sufficient information was available to the complainant/offeror in a timely manner that could have been used to understand why the complainant/offeror was excluded from participating further in a competition for a federally funded project.

While the outcome of this contract award would not have been affected by properly notifying the complainant/offeror that the complainant/offeror’s proposal did not meet the competitive range, we believe the notification requirement will foster a competitive outsourcing environment for Job Corps services contracting. FAR expresses the need to work closely with both the winning and losing offerors. By providing prompt and meaningful notifications to offerors whose proposals do not fall within the competitive range, Job Corps can maintain more positive relationships with potential service providers and ensure the competitive process will continue to provide the best value for the government.

Recommendations:

We recommend the National Director of Job Corps:

1. Update the Job Corps Procurement Compendium to include the Federal Acquisition Regulation requirement that the notice to offerors not meeting the competitive range is to be provided “promptly.”
2. Ensure the Regional Director of the Boston Regional Office of Job Corps issues written guidelines for the office to comply with the Federal Acquisition Regulation requirement to promptly provide an offeror whose score did not meet the competitive range the basis for why they were excluded from further consideration for a contract.

AGENCY RESPONSE

The National Director for the Office of Job Corps responded that the agency concurs with the first recommendation and will implement the recommendation. However, she stated that because contracting authority was being transferred from the Job Corps Regional Directors to OASAM Contracting Officers, the second recommendation is no longer applicable. She further stated that during scheduled training for the OASAM Contracting Officers, the issues identified in this report will be emphasized.

OIG CONCLUSION

Based on the National Director's response, the recommendations are resolved. Although we continue to consider the second recommendation applicable, it can be closed once the OIG is provided evidence Regional Directors no longer have contract authority for awards to Job Corps center operators, outreach and admissions providers, and career transition service providers.



Elliot P. Lewis
August 30, 2006

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Appendices

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APPENDIX A

BACKGROUND

Job Corps is a national program carried out in partnership with states and communities to assist eligible youth who need and can benefit from an intensive program, operated in a group setting in residential and nonresidential centers, to become more responsible, employable and productive citizens. The Boston Regional Office oversees Job Corps Region I which trains and educates youth at 20 training facilities throughout the Northeast and in the Caribbean, including Puerto Rico and the Virgin Islands.

Center operators, outreach and admissions providers, and career transition service providers are required to be selected in almost all cases based on a full and open competitive process. The procurement process for those services is administered by Job Corps Regional Offices using the procurement requirements found in FAR and DOLAR. The requirements of FAR and DOLAR have been included in the Job Corps Compendium which is designed to assist Regional Office staff in properly documenting required procurement decisions and activities by providing examples and models that can be customized for each procurement.

The OIG received a complaint from one of the companies that proposed on the RFP to operate three Puerto Rico Job Corps centers and provide outreach and admissions and career transition services for Puerto Rico and the Virgin Islands. Although the contract noted in the allegation was not awarded when the complaint was received by the Office of Inspector General, it was subsequently awarded in January, 2006. The total value of the contract for 5 years, including 3 option years, amounted to over \$80 million.

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APPENDIX B

OBJECTIVES, SCOPE, METHODOLOGY, AND CRITERIA

Objectives

Our audit objective was to determine whether the Boston Regional Office used abusive procurement practices in procuring an operator for three Puerto Rico Job Corps centers and outreach and admission and career transition services for Puerto Rico and the Virgin Islands as alleged in the complaint. In addition, we added an objective to answer the complainant's question of whether there are any former DOL Job Corps employees working for the incumbent contractor. As part of our work in determining whether the allegations were valid, we included an objective to determine whether the procurement of and contract with the winning offeror complied with applicable procurement laws and regulations.

Scope

Our audit covered the procurement time frame from the posting of the RFP April 21, 2005, to the award of the contract on January 31, 2006. Our audit was limited to examining the procurement for one contract; therefore, we did not consider the overall procurement process in place and used by the Boston Regional Office for all contracts handled during the period covered. In addition, we did not consider all internal controls in place at the Regional Office that would affect the overall operation of the Regional Office. Our consideration of internal control relates only to the policies and procedures used by the Regional Office in the procurement of the Puerto Rico center operator and the Puerto Rico and Virgin Islands outreach and admissions and career transition services. We performed our audit at the Regional Office of Job Corps in Boston, Massachusetts. Our audit was performed in accordance with Generally Accepted Government Auditing Standards.

Methodology

To accomplish our audit objectives, we reviewed applicable criteria, including the provisions on Federal Acquisition Regulation and the Job Corps Procurement Compendium. We examined the official contract documentation for the subject procurement, other documentation related to travel by the Contracting Officer and Contract Specialist and documentation provided by the complainant/offeror. We did not travel to Puerto Rico but rather interviewed the complainant by telephone. Job Corps Regional Office officials were interviewed onsite in the Boston Regional Office. We examined the contract subsequently awarded based on the procurement identified in the hotline complaint. In determining the merits of the allegations, we used the assumption that the allegation would not be substantiated unless we found or were provided documented information that could be used as conclusive evidence of the Regional Office manipulation of the procurement process in violation of procurement laws

and regulations. We did not use unsupported allegations by the complainant/offeror or statements by Boston Regional Office personnel to determine whether a condition of improper procurement conduct existed or did not exist. In addition, in our consideration of whether former Job Corps employees are working for the incumbent contractor, we determined this to refer to current employees of the incumbent contractor who had a management role and were involved in the proposal for the contract to which the allegations applied.

Criteria

We used the following criteria to perform this audit:

- Federal Acquisition Regulation
- Department of Labor Acquisition Regulations
- Job Corps Procurement Compendium
- Request for Proposal No.1-JC-05-PR

APPENDIX C

ACRONYMS AND ABBREVIATIONS

DOLAR	Department of Labor Acquisition Regulations
FAR	Federal Acquisition Regulation
FOIA	Freedom of Information Act
JC	Job Corps
OIG	Office of Inspector General
OA/CTS	Outreach and Admissions/Career Transition Services
PR	Puerto Rico
RFP	Request for Proposal

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APPENDIX D

AGENCY RESPONSE TO DRAFT REPORT

(Note: The draft report was issued under report number 26-06-001-01-370. The final report is numbered 26-06-002-01-370.)

U.S. Department of Labor

Office of Job Corps
Washington, D.C. 20210



SEP 27 2006

MEMORANDUM FOR: MIKE POWELL
Director, Job Corps Audit Office
Office of Inspector General

FROM: ESTHER R. JOHNSON, Ed.D. *Esther R. Johnson*
Administrator
Office of Job Corps

SUBJECT: Boston Regional Office Procurement of Job Corps Center Operator
and Service Providers in Puerto Rico
Draft Audit Report No. 26-06-001-01-370

I would like to take this opportunity to express my appreciation for the comprehensive work that your office put forth in reviewing the addressed procurement. The following is in response to the above stated OIG Audit Report.

In accordance with the Inspector General's first recommendation, Job Corps will update the Compendium as indicated.

In response to the second recommendation, Job Corps is in the process of transferring contracting authority from the Job Corps Regional Directors to the OASAM Contracting Officers, therefore, the second recommendation is no longer applicable. However, Job Corps has scheduled training for the OASAM Contracting Officers and will strongly emphasize these items.

Thank you again for the time you and your staff took to review the Boston Regional Office procurement process for this contract. External reviews conducted by the OIG are constructive in providing Job Corps with information to improve program efficiency and effectiveness.