



At a Glance

Catalyst for Improving the Environment

Why We Did This Review

The objectives of our audit were to determine whether the U.S. Environmental Protection Agency (EPA) implemented the agreed-upon corrective actions from a previous Office of Inspector General (OIG) report on Federal Supply Schedule (FSS) orders. We also sought to determine whether EPA is following established procedures in awarding FSS orders.

Background

In September 2003, we issued Audit Report No. 2003-P-00015, *EPA Can Improve Use of Federal Supply Schedules When Procuring Services*. EPA was in general agreement with the report, and agreed to implement several recommendations to improve the process for ordering from the FSS. Ordering agencies, such as EPA, can issue orders directly to contractors that are on the schedules approved by the General Services Administration.

For further information, contact our Office of Congressional and Public Liaison at (202) 566-2391.

To view the full report, click on the following link:
www.epa.gov/oig/reports/2007/20070920-2007-P-00037.pdf

Progress Made in Improving Use of Federal Supply Schedule Orders, but More Action Needed

What We Found

EPA implemented all but one of the recommendations in our original report. As a result of this previous report, EPA:

- Published guidance in its Contract Management Manual for issuing orders against the FSS.
- Provided training to its contracting officers on the use of the General Services Administration's Schedule, market research, and Performance-Based Service Acquisitions.
- Is acquiring a new, commercial off-the-shelf Federal acquisition system for Agency-wide use over the Internet that will replace the Agency's current systems.

Regarding the one recommendation not implemented, EPA did not provide samples of sole source justifications to program offices as agreed. Agency officials said this occurred due technology challenges in sharing files. However, posting justifications on EPA's intranet should resolve the issue.

During our review, we noted other areas that require attention. By ensuring that adequate market research is conducted, EPA can increase competition. Also, Independent Government Cost Estimates need improvement to ensure EPA does not overpay for services and supplies acquired via the FSS.

What We Recommend

We recommend that the Assistant Administrator for Administration and Resources Management provide examples on EPA's intranet of adequate justifications for limiting competition. We also recommend that the Assistant Administrator emphasize Quality Assessment Plan requirements for evaluating: the effectiveness of market research, justifications for limiting competition, development of Independent Government Cost Estimates, and the use of the FSS order checklist. Further, we recommend that Office of Acquisition Management market the benefits of online procurement tools to contracting staff. EPA agreed with all of our recommendations and plans to implement the corrective measures we proposed.