

## BRIEFLY...

Highlights of Report Number 04-08-003-01-370, Transfer of Job Corps Program Strengthened Procurement Processing But Improvements Are Needed to Ensure Fair and Open Competition, to the Deputy Secretary of Labor, issued September 30, 2008

### WHY READ THE REPORT

On December 30, 2005, Congress enacted Public Law 109-149, directing the Secretary of Labor to transfer Job Corps program from the Employment and Training Administration (ETA) to the Office of the Secretary (OSEC). The transfer was intended to provide Job Corps greater independence and opportunity for increased efficiency in administering the Job Corps program. As a result of the transfer, responsibility for providing contract support moved from ETA to the Office of the Assistant Secretary for Administration and Management (OASAM).

### WHY OIG DID THE AUDIT

We conducted a performance audit to determine what impact has the transfer of the Job Corps program from ETA to OSEC had on Job Corps procurement and contracting practices. Our audit covered July 1, 2005, through September 30, 2007.

### READ THE FULL REPORT

To view the report, including the scope, methodologies, and full agency response, go to: <http://www.oig.dol.gov/public/reports/oa/2008/04-08-003-01-370>

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### WHAT OIG FOUND

While the transfer of the Job Corps program from ETA to OSEC strengthened the Job Corps procurement and contracting practices, improvements are needed to ensure contracts are competitively awarded and services are obtained at a reasonable cost.

With the transfer, OSEC implemented a prior OIG recommendation to separate Job Corps procurement functions from program functions. In addition, our examination of 34 contracts, 18 originated by ETA and 16 by OASAM, disclosed nine (26 percent) with deficiencies in the processing of the awards and/or modifications. Specifically, ETA in 7 of 18 (39 percent) contracts and OASAM in 2 of 16 (13 percent) contracts could not demonstrate they always followed the Federal Acquisition Regulation and Department of Labor (DOL) procurement procedures.

### WHAT OIG RECOMMENDED

We recommended the Deputy Secretary of Labor ensure that:

- The Assistant Secretary for Administration and Management takes steps to ensure management oversight of contract award and modification processing is conducted and to provide staff training to ensure Federal acquisition and DOL procedures are appropriately followed.
- Agencies seek Procurement Review Board's recommendation and Chief Acquisition Officer's approval for ratification of unauthorized commitments.

The National Director of Job Corps had no comments on the draft report. The Deputy Assistant Secretary for Employment and Training stated that ETA is actively taking steps to improve performance in its contracting operations. Lastly, the Deputy Assistant Secretary for Administration and Management disagreed with our finding that cited a lack of proper justification for a sole source contract award, but agreed with our recommendations.