
CORPORATION

FOR NATIONAL



S E R V I C E

OFFICE OF THE INSPECTOR GENERAL

Review of Training and Technical Assistance Agreements

This report is issued to CNS Management. Under the laws and regulations governing audit follow up, the Corporation must make final management decisions on the report's findings and recommendations no later than May 2, 1998 and complete its corrective actions by November 3, 1998. Consequently, the reported findings do not necessarily represent the final resolution of the issues presented.

The Inspector General must approve any request for public release of the report.

Office of the Inspector General



November 3, 1997

The Honorable Pete Hoekstra
Chairman
Subcommittee on Oversight and Investigations
Committee on Education and the Workforce
U.S. House of Representatives

Dear Chairman Hoekstra:

In a July 17, 1996 letter, you requested that the Corporation for National and Community Service's Office of the Inspector General provide your Subcommittee with information on 14 of the Corporation's training and technical assistance cooperative agreements. In discussions with your office, we agreed to provide the Subcommittee with information on the Corporation's authority for awarding the agreements, the purpose of the agreements, the procedures used by the Corporation in awarding the agreements and providing oversight, and the guidelines for granting cost extensions.

We contracted with the independent accounting firm of Leonard G. Birnbaum and Company to perform this work. Leonard G. Birnbaum and Company conducted its work principally by reviewing the official cooperative agreement files and other files maintained by Corporation program officials, and through interviews of staff involved in the award and administration of the agreements. We have reviewed the firm's report and the workpapers supporting its conclusions and agree with the findings and recommendations presented.

The review revealed that the Corporation has the authority to enter into cooperative agreements to provide training and technical assistance to national service programs. The efforts called for under the agreements were supportive of Corporation programs, and were aimed at enhancing the effectiveness of the individual entities performing these programs. However, the review also revealed that most of these cooperative agreements were broad in scope. In our view, the Corporation would be better served by using indefinite delivery, indefinite quantity task order contracts rather than cooperative agreements to obtain these services. Had the Corporation used contracts it would not have been able to make three of the 14 awards.

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We also found that the Corporation did not have formal policies and procedures for documenting its selection and award process, or for monitoring the activities carried out under the agreements. Consequently, the content of the Corporation's Official files for these agreements varied considerably. We concluded that only one of the 14 Official files reviewed contained a complete set of documentation related to the solicitation and selection of the award recipient, and only three of the 14 contained evidence of what could be characterized as Corporation oversight of, or involvement in, the activities of the awardees. Further, while the reasons for cost extensions were generally appropriate, none of the files reviewed contained documentation explaining the extent of the Corporation's review of the amounts proposed in requests for costs extensions.

Based on the results of the review, we developed several recommendations for improving the Corporation's controls over training and technical assistance agreements. We have recommended that the Corporation use contracts rather than cooperative agreements to obtain these services. We have also recommended that it develop and implement policies and procedures to document the solicitation and selection processes used to award training and technical assistance agreements and to assure their proper oversight.

The Corporation disagreed with our recommendation to use contracts and plans to continue to use cooperative agreements to obtain these services. The Corporation stated that it plans to implement new policies and procedures over awarding and monitoring these agreements. Because we regard this as an area of risk, we will continue to monitor Corporation efforts to improve controls over these agreements and other procurement activities.

Sincerely,

A handwritten signature in cursive script, appearing to read "Luise S. Jordan".

Luise S. Jordan
Inspector General

FINAL REPORT

Corporation for National Service
Office of the Inspector General
Report Number 98-01

Review of Training and Technical Assistance Agreements
for
Corporation for National and Community Service
Office of the Inspector General

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Review of Training and Technical Assistance Agreements
for
Corporation for National and Community Service
Office of the Inspector General

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Inspector General
Corporation for National Service

We have applied certain agreed-upon procedures, as detailed in Attachment 1, to assist you in responding to a request from the Chairman of the Subcommittee on Oversight and Investigation, House Committee on Education and the Workforce, with respect to 14 training and technical assistance agreements awarded by the Corporation. In response to the Chairman's request, you agreed to provide the Committee with information on

- the Corporation's authority for awarding training and technical assistance agreements;
- the purpose of the training and technical assistance agreements;
- the Corporation's procedures for selecting training and technical assistance providers;
- the Corporation's oversight of the training and technical assistance providers; and
- the need for granting cost extensions and the procedures followed in granting the extensions.

Copies of the Chairman's request and your response appear as Attachments 2 and 3, respectively. A list of the specific training and technical service agreements reviewed appears as Exhibit A. The Schedules to Exhibit A present detailed information on each agreement.

We performed our review at the Corporation's headquarters in Washington, D.C. during the period December 1996 through August 1997. We applied the agreed-upon procedures in accordance with *Government Auditing Standards* (1994 Revision) issued by the Comptroller General of the United States. Specific information on our scope and methodology, the extent to which our review was limited by the lack of documentation in the Corporation's files and the Corporation's failure to provide additional documentation on a timely basis, is included in Attachment 1.

RESULTS

The National and Community Service Act, as amended, authorizes the Corporation to provide training and technical assistance to Corporation-funded programs. The Act also provides the Corporation authority to provide training and technical assistance directly or through contracts, grants or cooperative agreements with other organizations. Thus, the Corporation has the authority to award the type of cooperative agreements we reviewed.¹

The 14 agreements we reviewed provide for a variety of training and technical assistance services in areas ranging from fiscal management and organizational development to health outreach, education and prevention. We found that the purpose and scope of work of the individual agreements were articulated in each of the agreements as set forth on Schedules A through N. All of the effort articulated in these agreements was supportive of the Corporation's programs and was aimed at enhancing the effectiveness of the individual entities performing the Corporation's programs.

However, most of the agreements were broad in scope. For example, several agreements called for the provision of "a wide range of services designed to meet project and CNCS needs..." Other agreements require the awardee to "provide rapid response technical assistance to AmeriCorps grantees," "deploy Circuit riders for specialized T/TA," "provide T/TA services for front line supervisors," and similar services. Given the indeterminate nature of these services, we believe that it would be in the best interest of the Corporation to use indefinite delivery, indefinite quantity, task order contracts to obtain these services. Task order contracts would provide greater control over the work to be performed because each task would require an individual Statement of Work specifying the activity to be performed and the deliverables to be provided. Had contracts been used as the award vehicle, the Corporation would have been unable to award three of the agreements we reviewed that were awarded on a sole source basis without competition.²

We also found that the Corporation does not have formal policies or procedures requiring that it document the solicitation and selection processes used for these awards. Consequently, the contents of Official³ files varied considerably. As a result of the lack of documents in the files

¹ The opinion of the Corporation's Office of General Counsel outlining these authorities is included as Attachment 4.

² The Federal Acquisition Regulation permits award of contracts without full and open competition under certain circumstances such as unusual and compelling urgency, only one responsible source or to maintain research capability. We did not find any documents in the Corporation's files related to three awards noted by the Corporation as being made to the only offeror that would suggest that the circumstances would have warranted awards based on less than full and open competition.

³ The Official files contain documents related to the solicitation, award and administration of grants and cooperative agreements.

and the Corporation's failure to provide information on a timely basis, we performed our review in three phases (please refer to Scope and Methodology which appears as Attachment 1). At the end of the first two phases, we concluded that only one of the 14 Official files reviewed contained a complete set of documentation related to the solicitation and selection. The other files were materially lacking in that they did not include a copy of the Notice of Funds Availability (NOFA), the Executive Director's approval of the NOFA, the Federal Register in which the NOFA was published, proposals received, ranking of the proposals, memoranda recommending selection and/or documentation establishing the reasonableness of the amounts awarded.

Subsequent to the issuance of a draft report and an exit conference, the Corporation provided additional documentation. In the third phase of our work, we reviewed those documents and found that they included a substantial portion of the documents that were not included in the individual Official files. We also found that they provided reasonably comprehensive details as to the solicitation and selection processes related to these agreements. This latter review, however, surfaced two issues. First, two agreements raise substantial questions as to whether the Corporation acted appropriately in awarding to lower ranked applicants.⁴

One application was ranked in the "second tier" of proposals received. Three other proposals were ranked higher. Although the two highest ranked proposals were rejected based on discussions with those offerors, the Corporation did not hold discussions with the other higher ranked applicant before having discussions with, and choosing the second tier proposal for an award.

Another application, Constitutional Rights Foundation (CRF), was ranked third out of five proposals received. The Corporation made awards to both the second and third highest ranked applicants, but rejected the highest ranked proposal. When we asked for an explanation, the Corporation stated that the highest ranked application was limited to developing materials for only one type of service program rather than "many different participants and program types," as requested by the NOFA. However, the Corporation's recommendation to select CRF noted that it proposed to provide materials for only two AmeriCorps programs (similar to the highest ranked proposal). The Corporation's memo justifying the selection of this proposal stated that "since CRF is a leader in the field and these materials are sure to be solid; the question is really whether CRF, with its strong school-based background, can design materials that can make the transition out of the classroom—and fit into the full-time schedule of an AmeriCorps program. The urban California setting is both a strength and weakness—it keeps costs very low, but may result in products that, despite vetting from Mississippi and up-state New York, only work in the CRF context. Since CRF has been a partner in national service from the start, and has provided

⁴ Under 5 U.S.C. 706, the Corporation's grant award decisions must be based on a rational rather than arbitrary or capricious basis. This includes acting consistently in considering applications and developing sufficient justification for selecting lower-ranked applicants.

materials for schools in many different parts of the nation, we are willing to recommend moving ahead with this proposal." Thus, the Corporation cited inconsistent justifications for making an award to this applicant, and appears to have made its decision to award the agreement based on factors other than the relative merits of the proposal.

Second, the Corporation was inconsistent in the manner in which it solicited and selected applicants. In some cases, the Corporation first solicited concept papers for particular types of services and, subsequent to review of the concept papers, requested proposals from entities whose concept papers were considered acceptable. The proposals were then evaluated and the successful applicant selected. Hence, these awards were subjected to competition for similar training and technical assistance services.

However, three of the 14 agreements we reviewed were awarded on the basis of proposals received in response to an "Invitation for Original Concept Papers Proposing Additional or Alternative T/TA Activities" included in the Corporation's NOFA for training and technical assistance published in the March 28, 1994 Federal Register. While the "invitational" section of the NOFA would allow prospective training and technical assistance providers to advise the Corporation of additional types of training and technical assistance that they could provide, it would not assure that the Corporation had competitive proposals for those types of services. To have a competitive process, the Corporation would have to announce that it was seeking proposals for the new types of services that were identified through the "invitational" section of the NOFA. However, for these three agreements, the Corporation made awards without seeking proposals for similar services, and later characterized the awards as being made to the "only offeror." Thus, these awards were not made on the basis of competition.

Additionally, based on documentation provided by the Corporation, Agreement 95-20 awarded to Youth Service America (YSA) for \$25,000 to promote National Service Volunteer Day was non-competitively awarded. This award was made after discussions between YSA and the Corporation, and not as a result of a response to a NOFA or other general announcement of funds available for this purpose.

We also found that only three of the 14 files reviewed contained evidence of what could be characterized as the Corporation's oversight of, or involvement in, the activities of the awardees. Under Federal law, agencies may use cooperative agreements when "substantial involvement is expected between the executive agency and the...recipient when carrying out the activity contemplated in the agreement" (31 U.S.C. §6305). While the files contained evidence of written communication between the Corporation and individual awardees, the files we reviewed contained no evidence of the Corporation's assessing the effectiveness of the performance of the effort required by the agreements. Nor was there any evidence of the Corporation's participating in any way in the management or direction of the effort required by the agreements or other substantial involvement between the Corporation and the training and technical assistance providers.

Finally, while the reasons for cost extensions were generally appropriate (e.g. renewal, additional scope) none of the files reviewed contained documentation explaining the extent of review of the amounts proposed in requests for cost extensions. Further, the files did not contain documents showing how the Grants Officer satisfied himself or herself that the amounts in original budget requests were reasonable. In some cases, there is no evidence that recommendations resulting from reviews of proposed budgets by the Grant Specialist were considered. Generally, the amounts of original awards and cost extensions equaled the amounts requested by the awardee.

RECOMMENDATIONS

We recommend that the Corporation:

- use indefinite delivery, indefinite quantity, task order contracts when procuring services of an indeterminate nature,
- develop and implement policies for documenting the solicitation and selection processes used in awarding cooperative agreements. These policies should provide for inclusion, in the Official file, the Notice of Funds Availability (NOFA), the Chief Operating Officer's approval of the NOFA, the Federal Register in which it was published, all proposals received, the reviews of all proposals, a ranking of proposals, and any memoranda recommending selection (including specific discussions addressing awards to lower-ranked applicants) and documentation as to how the reasonableness of the amount awarded was established,
- compete awards for these services to the fullest extent possible, and
- develop and implement policies for oversight of the activities of entities that are awarded cooperative agreements. These policies should delineate the extent of involvement by Corporation staff in the activities covered by the cooperative agreements and documentation of this involvement.

CORPORATION'S RESPONSE

The Corporation's response to a draft of this report is presented as Attachment 5. In its response, the Corporation agreed with our recommendation that training and technical service awards be competed to the fullest extent possible. However, the corporation disagreed with our analysis of the solicitation and selection process used to make the awards we reviewed, stating that it believes the process used for their award was competitive.

Inspector General
Corporation for National Service
Page 6

Further, the Corporation disagreed with our recommendation to use indefinite delivery, indefinite quantity task order contracts for most training and technical service agreements. The Corporation believes cooperative agreements provide greater flexibility than contracts, and therefore better meet its needs. We continue to consider contracts the better means to procure these services. Acknowledging that the Corporation has decided to continue its use of cooperative agreements, we urge the Corporation to strengthen its controls over their award, costs, and quality assurance.

In responding to our conclusion that two of the agreements that we reviewed raised substantial questions as to whether the corporation acted appropriately in awarding to lower ranked applicants, the Corporation provided an explanation for making the first award, to the National MultiCultural Institute, which it had not previously offered and that was not evidenced in the documentation provided to us. In addition, the Corporation argued that the draft report misrepresented the substance of the decision memo related to the Constitutional Rights Foundation award, because it did not reflect all of the factors considered by the Corporation. We have added the additional text the Corporation cited to the report. However, even with the additional language, the text does not support the Corporation's current stance on this agreement.

The Corporation agreed that its Official files were not properly maintained and did not adequately document the award or oversight process and stated that it has improved the files and will implement a system to track and record all substantive management oversight activities by December 15, 1997.

The Corporation's response also included detailed comments on each of the schedules for the 14 individual agreements. Substantially all of this information was provided to us by the Corporation in its response to the June draft report (See Scope and Methodology, Attachment 1). As it provides no new insights or information that we had not already considered, we have opted not to include it as part of this report. The information is available in our files for your review if you so desire.



Leonard G. Birnbaum and Company

Alexandria, Virginia
October 14, 1997

List of Training and Technical Assistance Agreements Reviewed

<u>GRANTEE</u>	<u>Award #</u>	<u>Schedule</u>	<u>Page</u>
United Way of America	95CA000002	A	8
Aguirre International	95CA000032	B	13
American Medical Student Association	95CA000005	C	16
National Association of Service and Conservation Corps	95CA000011	D	20
National Crime Prevention Council	95CA000030	E	25
ETR Associates	95CA000006	F	30
National MultiCultural Institute	95CA000027	G	37
National Association For Community Mediation	95CA000029	H	43
Youth Service America	95CA000003	I	50
Youth Service America	95CA000020	J	56
AFL-CIO HRDI	95CA000024	K	59
MOSAICA: The Center for Non-profit Development and Pluralism	95CA000015	L	65
Pennsylvania Institution for Environmental and Community Service Learning	95CA000013	M	70
Constitutional Rights Foundation	95CA000021	N	75

United Way of America
CA 95-02

	Date	Amount	Period of Performance	Purpose and Scope
Basic Agreement	2/1/95	\$ 760,750	2/1/95 - 1/31/96	<p><u>Purpose</u> "United Way of America (UWA), in cooperation with five local United Ways operating regional training and technical assistance centers will assume primary responsibility to provide training and technical assistance to all AmeriCorps grantees, in the area of 'Maintaining a Strong Organization, in accordance with proposal dated May 18, 1994....' "</p> <p><u>Scope</u> "Awardee shall provide responsive technical assistance to AmeriCorps*USA program grantees, including State funded Programs and national direct grantees in the following areas: Program Management; Organizational Development and Evaluation; Fiscal Management; and Grievance Procedures."</p>
Amend. 1	6/19/95	N/C	6/19/95 - 1/31/96	Adds UWA in-kind contribution of \$424,301.
Amend. 2	6/25/96	N/C	- 9/30/96	No cost time extension.
Amend. 3	7/9/96	896,479	- 12/31/96	"Expand scope of work, extend period of performance for a second year...."
Amend. 4	1/13/97	N/C	- 2/28/97	No cost time extension.
Amend. 5	3/28/97	589,794	- 9/30/97	Extends period of performance.

United Way of America
CA 95-02

	Amount	Period of Performance	Purpose and Scope
Government Share	\$2,247,023		
Grantee Share	<u>424,301</u>		
Total Cost	\$2,671,324		
Drawdown as of 8/12/97	\$1,857,176		

NOTE

Please refer to Scope and Methodology (Attachment 1) for an explanation of why the review was conducted in three phases.

First Phase

1. Solicitation and Selection

Review of the Official and Program files failed to disclose sufficient documentation to conduct an adequate review and render an informed opinion as to the adequacy of the solicitation and selection process used in awarding this agreement. The Program file does, however, include an internal Corporation memo of 22 June 1994 wherein proposals received in response to a NOFA are discussed and recommendations made. The United Way of America is recommended for selection in this memo.

2. Cost Extensions

Amendment No. 1 dated 19 June 1995 incorporated (adds) UWA in-kind contribution as proposed by UWA in its final proposed budget for the basic Cooperative Agreement. The file failed to disclose why the in-kind offer was not accepted or included in the basic agreement.

Amendment No. 3 dated 9 July 1996 was issued in the amount of UWA's revised budget.

Amendment No. 5 was issued 28 March 1997. The files disclosed a memo dated 11 March 1997 from the Program Official to the Grants Specialist requesting an amendment in the amount of \$589,794. The files also disclosed a memo (undated) from the Grants Specialist to the Program Official questioning the Grantee's budget, including lack of cost sharing, and a memo dated 31 December 1996 from the Program Official to the Grants Specialist forwarding the grantee's response to the questions raised by the Grants Specialist. The amendment was issued in the amount of \$589,794 (no cost sharing).

The files failed to disclose documentation by the Grants Officer relating to considerations involved in issuance of the Amendments (or the basic agreement).

United Way of America
CA 95-02

Material Submitted 2/18/97 Subsequent To Review of Official and Program Files (Second Phase)

1. Federal Register/Notice of Funds Availability
2. Summary of 20 Proposals
3. Consensus Review Forms
 - United Way
 - Indiana University Center of Philanthropy
 - Citizens Information Service
 - Future Builders
 - Support Center of America
4. Letter Recommending Selection

3. Assessment of Documents Submitted through Second Phase

The solicitation documentation is inadequate since the Official file and subsequently submitted documents did not contain a copy of the Executive Director's approval of the NOFA. The selection documentation is inadequate since the Official file and subsequently submitted documents do not contain any rationale for reducing the number of proposals to be reviewed from 20 to 5. The Official file is further deficient in that it contains no documents explaining the extent of review of the amounts proposed (in the original and amended budgets) by the Grants Officer or other documents as to how the Grants Officer satisfied himself that the amounts budgeted were reasonable.

4. Material Submitted 7/17/97 (Third Phase)

The Notice

- Notice of Availability of Funds: *Training and Technical Assistance*, Corporation for National Service, March 1994
- Federal Register, Part IX, *Corporation for National and Community Service, Availability of Funds for Training and Technical Assistance; Notice, March 28, 1994*
- Memorandum, July 15, 1997, From the Former General Counsel *To Whom It May Concern*

Applicant Proposals

- No. 0083, Indiana University Center on Philosophy
- No. 0084, Bennett College
- No. 0085, Quest Partners
- No. 0086, Support Centers of America
- No. 0087, The Terrence Institute, Inc. And Institute of Conservation Leadership
- No. 0088, The McKinley Group, Inc.
- No. 0089, American Technologies Institute
- No. 0090, RAND
- No. 0091, Citizens Information Service

United Way of America
CA 95-02

Applicant Proposals - continued

- No. 0092, Action Path Associates
- No. 0093, Futures Builders, Inc.
- No. 0094, The Society for Nonprofit Organization
- No. 0095, SkillTech
- No. 0096, Price Waterhouse
- No. 0097, Green Thumb, Inc.
- No. 0098, Green Thumb, Inc.
- No. 0099, Green Thumb. Inc.
- No. 0100, United Way of America
- No. 0101, The Kennedy School Project on National Service
- No. 0102, CLW Associates, Inc.

Proposal Consensus Review Forms with Facilitator Notes

- No. 0083, Indiana University Center on Philosophy
- No. 0084, Bennett College
- No. 0085, Quest Partners
- No. 0086, Support Centers of America
- No. 0087, The Terrence Institute, Inc. And Institute of Conservation Leadership
- No. 0088, The McKinley Group, Inc.
- No. 0089, American Technologies Institute
- No. 0090, RAND
- No. 0091, Citizens Information Service
- No. 0092, Action Path Associates
- No. 0093, Futures Builders, Inc.
- No. 0094, The Society for Nonprofit Organization
- No. 0095, SkillTech
- No. 0096, Price Waterhouse
- No. 0097, Green Thumb, Inc.
- No. 0098, Green Thumb, Inc.
- No. 0099, Green Thumb. Inc.
- No. 0100, United Way of America
- No. 0101, The Kennedy School Project on National Service
- No. 0102, CLW Associates, Inc.

Proposal Scores and Summaries

- Proposal Ranking Sheet
- Summary of Proposals for *Maintaining a Strong Organization*

United Way of America
CA 95-02

The Decision

- Memorandum, September 19, 1994 (from the Director, T/TA to the Director, National and Community Service Programs): *Selection of T/TA Providers: United Way, Indiana University Center for Philanthropy, National Crime Prevention Council, Southern Regional Council*

The Award

- Memorandum, November 22, 1994 (from Program Official to Grants Specialist): United Way of America

5. Assessment of Documents Submitted in Third Phase

A. Solicitation

Documentation includes Federal Register/NOFA of 28 March 1994, and a memo dated 15 July 1997 from the former General Counsel, stating that it was his “uniform and consistent practice before signing a Federal Register ... to obtain the final approval of the Corporation’s Executive Director ... and that he followed this practice in connection with the Notice of Funds Availability published in the Federal Register on March 28, 1994.”

B. Source Selection

- (1) Documentation furnished contains a note reading as follows:

“During the deliberation process, the number of proposals reviewed for possible award of a grant or cooperative agreement was reduced from 20 to 5 because, as indicated on page 14518 of the Federal Register, in the Training and Technical Assistance Activities section, paragraph (I) (B), *Maintaining a Strong Organization*, the Corporation expected to make up to five grants or cooperative agreements in this area. In the final analysis, in addition to the United Way’s being selected (as indicated above), the Indiana University Fund Raising School was also selected to provide services in the area of *Maintaining a Strong Organization - Fundraising*.”

- (2) The 19 September 1994 “letter recommending selection” was signed by the originator but does not indicate final approval by the selection authority. Further, this agreement does not appear in the former Executive Director’s memo of 17 July 1997 stating she approved funding for four (4) listed Cooperative Agreements.

- (3) A ranking sheet was furnished showing United Way as the highest ranking offeror. The raw scores by the review panel were not furnished.

Aguirre International
CA 95-32

	Date	Amount	Period of Performance	Purpose and Scope
Basic Agreement	9/25/95	\$1,632,650	9/25/95 - 2/24/97	<p><u>Purpose</u> "Aguirre International will assume primary responsibility for Evaluation Training and Technical Assistance for the AmeriCorps Program (*State and *National), The Learn and Serve America: Higher Education Program and the National Senior Service Corps. Aguirre will provide a wide range of services designed to meet project and CNCS needs in accordance with proposal dated August 9, 1995 and revised budget dated September 22, 1995."</p> <p><u>Scope</u> "Awardee shall provide responsive training and technical assistance to AmeriCorps Programs (State and *National), the Learn and Serve America: Higher Education Programs and National Senior Service Corps (Retired Senior Volunteer Program, Foster Grandparent Program and Senior Companion Program) by providing workshops, on-site visits, a toll-free help line, workbooks, newsletters, and computer bulletin boards."</p>
Amend. 1	12/24/96	750,000	- 2/28/97	Increases funding; extends expiration date from 2/24/97 to 2/28/97.
Amend. 2	3/3/97	2,537,086	- 9/30/98	Extends period of performance 19 months.
Total Cost		\$4,919,736		
Drawdown as of 8/12/97		\$2,671,099		

Aguirre International
CA 95-32

NOTE

Please refer to Scope and Methodology (Attachment 1) for an explanation of why the review was conducted in three phases.

First Phase

1. **Solicitation**

Review of the files disclosed existence of a NOFA but not the Federal Register.

2. **Oversight**

Review of the Official and Program files failed to disclose substantial oversight of the provider by the Program Official (i.e., trip reports, site visits, correspondence, technical direction and the like). Federal law (31 USC 6305) states with respect to a Cooperative Agreement that "substantial involvement is expected between the executive agency and the State, local government, or other recipient when carrying out the activity contemplated in the agreement."

3. **Cost Extensions**

A. **Amendment No. 1 - \$750,000**

The Program Official by memo dated 23 December 1996 to the Grants Specialist requested that a modification be issued in the amount of \$750,000 and stated that "this modification will result in a revised total task cost of \$2,550,000." The Program Official further states, in this memo, that the original Agreement amount was \$1,800,000 and that the Agreement "will require additional funds in order to provide services through the Agreement period."

The amendment, as issued, increasing funding reads "The total estimated value of this Agreement from its effective date through 28 February 1997 is increased from \$1,632,650 by \$750,000 to \$2,382,650."

B. **Amendment No. 2 - \$2,537,086**

The files disclose that the Grantee submitted a budget to the Grants Officer in the amount of \$2,537,085.87 by letter of 31 January 1997.

The Program Official by memo of 28 February 1997 to the Grants Officer requested an extension of the Agreement. The Program Official stated, in this memo, that "we have reviewed their narrative and their budget and accept both as presented."

The files fail to disclose documentation by the Grants Officer relating to considerations involved in issuance of the Amendments (or the basic agreement).

Aguirre International
CA 95-32

4. Other Matters

- A. The Cooperative Agreement is in the amount of \$1,632,650.

The grantee's proposal is \$1,500,000. By memo of 13 September 1995 additional funding of \$50,100 was supplied by the National Senior Service Corps. The memo states, in part, that "The Senior Corps will access this contract to provide assistance on impact programming." The files failed to reveal the source and requirement constituting the difference (i.e., \$1,632,650 less \$1,550,100 or \$82,550).

- B. Aguirre International is a for profit organization. The Cooperative Agreement contains a provision incorporating FAR Part 31 Cost Principles and a provision providing for a 1.5% management fee on total reimbursed costs.

5. Conclusions

Review of the Official file disclosed that the selection process was adequately documented. The Official file, however, contains no documentation to support the difference between the amount proposed, adjusted for National Senior Service Corps funds, and the amount of the award. The file is further deficient in that it contains no documents explaining the extent of review of the amounts proposed (in the original and amended budgets) by the Grants Officer or other documents as to how the Grants Officer satisfied himself that the amounts budgeted were reasonable. Neither the Official nor Program files evidence any substantial involvement by the Corporation representatives in the program.

6. Material Submitted 2/18/97 Subsequent to Review of Official and Program Files (Second Phase)

None.

7. Material Submitted 7/17/97 (Third Phase)

None.

American Medical Student Association
CA 95-05

	Date	Amount	Period of Performance	Purpose and Scope
Basic Agreement	2/15/95	\$186,971	2/15/95 - 2/14/96	<p><u>Purpose</u> "America Medical Student Association/Foundation (AMSA), will assume primary responsibility for developing, operating, and managing a training and technical assistance Preventive Health Care Skills Development Center for AmeriCorps projects involved in preventive health care, health outreach and health education which will provide a wide range of services designed to meet project and CNCS needs in accordance with proposal submitted June 1, 1994...."</p> <p><u>Scope</u> "Awardee shall provide rapid, responsive technical assistance to individual AmeriCorps projects in the areas of health outreach, education and prevention throughout the project operation."</p>
Amend. 1	6/19/95	N/C	- 2/14/96	Change in reporting requirement.
Amend. 2	1/25/96	N/C	- 9/30/96	No cost time extension.
Amend. 3	8/5/96	198,934	- 9/30/97	Amend scope of work, extend to 9/30/97.
Amend. 4	10/9/96	N/C	- 9/30/97	Change in reporting requirement, correct type of award.
Total Cost		\$385,905		
Drawdown as of 8/12/97		\$151,057		

American Medical Student Association
CA 95-05

NOTE

Please refer to Scope and Methodology (Attachment 1) for an explanation of why the review was conducted in three phases.

First Phase

1. Solicitation and Selection

Review of the Official and Program files failed to disclose sufficient documentation to conduct an adequate review and render an informed opinion as to the adequacy of the solicitation and selection process used in awarding this agreement. It is observed, however, that the Notice of Funds Availability (NOFA) attached to the Director, Training and Technical Assistance undated draft paper of January 1997 contained a requirements category which matched information contained in the grantee's proposal. Further, an internal memo dated 22 June 1996 relative to review of proposals (found in United Way of America files) referred to proposals received which included American Medical Student Association.

2. Oversight

Review of the files failed to disclose substantial oversight of the provider by the Program Official (i.e., by trip reports, site visits, correspondence, technical direction and the like). Federal law (31 USC 6305) states with respect to a Cooperative Agreement that "substantial involvement is expected between the executive agency and the State, local government, or other recipient when carrying out the activity contemplated in the agreement."

3. Cost Extension

The Program Official, by memo to the Grants Officer, requested increased funding of \$198,983. The Amendment was issued in the amount of \$198,934.

The files failed to disclose documentation by the Grants Officer relating to considerations involved in issuance of the Amendment (or the basic agreement).

Material Submitted 2/18/97 Subsequent To Review of Official and Program Files (Second Phase)

1. Federal Register/Notice of Funds Availability
2. List of proposals submitted
3. Summary of proposals
4. Summary Review of Proposals
5. Consensus Review Forms (American Medical Student Assoc.)
6. Memoranda recommending selection

American Medical Student Association
CA 95-05

4. Assessment of Documents Submitted through Second Phase

Documentation supporting the solicitation process is inadequate in that it does not contain a copy of the Executive Director's approval of the NOFA. While the subsequently submitted documents comprise the majority of what would be considered adequate to support the selection process, the documents are still deficient in that the Consensus Review Forms for the applicants not selected are not available. Further, the memorandum recommending selection is not signed by the originator nor is there evidence for approval of the selection by the source selection authority. In the event of a protest of award, the Corporation would be unable to justify the award. The Official file is further deficient in that it contains no documents explaining the extent of review of the amounts proposed (in the original or amendment budgets) by the Grants Officer or other documents as to how the Grants Officer satisfied himself that the amounts budgeted were reasonable. Neither the Official nor Program files evidence any substantial oversight or involvement by the Corporation representatives in the program.

5. Material Submitted 7/17/97 (Third Phase)

The Notice

- Notice of Availability of Funds: *Training and Technical Assistance*, Corporation for National Service, March 1994
- Federal Register, Part IX, *Corporation for National and Community Service, Availability of Funds for Training and Technical Assistance; Notice, March 28, 1994* (p. 14520)
- Memorandum, July 15, 1997, Former General Counsel *To Whom It May Concern*

Applicant Proposals

- No. 1611, Visiting Nurse Associations of America
- No. 1612, University of Maryland at College Park
- No. 1615, AMSA
- No. 1620, Enterprising Ideas

Proposal Consensus Review Forms with Facilitator Notes

- No. 1611, Visiting Nurse Associations of America
- No. 1612, University of Maryland at College Park
- No. 1615, AMSA
- No. 1620, Enterprising Ideas

American Medical Student Association
CA 95-05

Proposal Scores and Summaries

- Proposal Ranking Sheets
- Training and Technical Assistance, Grant Application Review Process, June 6-7, 1994, *Panel Summary Form*
- Memorandum, June 22, 1994, from the Director, T/TA: *Review of proposals: Maintaining a Strong Organization, National Priority Skills Development Centers*

The Decision

- Memorandum, July 18, 1994, (from the Director, T/TA to the Director, National and Community Service Programs, copies to the former CEO and the Executive Director): *Semi-Finalist Recommendations- T/TA Proposals, Maintaining a Strong Organization, National Priority Skills Development Centers*
- Memo of October 17, 1994, (from the Director, T/TA to the Director, National and Community Service Programs and the Executive Director): *Selection of T/TA Providers*

The Award

- Award Approval and Fund Certification submitted to Grants and Contracts December 20, 1994

6. Assessment of Documents Submitted (Third Phase)

A. Solicitation

Documentation includes Federal Register/NOFA of 28 March 1994, and a memo dated 15 July 1997 from the former General Counsel, stating that it was his "uniform and consistent practice before signing a Federal Register ... to obtain the final approval of the Corporation's Executive Director ... and that he followed this practice in connection with the Notice of Funds Availability published in the Federal Register on March 28, 1994."

B. Source Selection

- (1) Documentation indicates fifteen (15) proposals were reviewed and rated by a review panel. The ranking form includes only four (4) offerors with American Medical Student Association rated highest.
- (2) The memorandum recommending selection is unsigned by originator and does not indicate approval by the selection authority. However, the former Executive Director states in memo of 17 July 1997 that she approved funding for this Agreement, among others.

National Association of Service and Conservation Corps
CA 95-11

	Date	Amount	Period of Performance	Purpose and Scope
Basic Agreement	4/15/95	\$ 379,620	4/15/95 - 4/14/96	<p><u>Purpose</u></p> <p>“National Association of Service & Conservation Corps (CCC) Training Institute, will assume primary responsibility for mobilizing the resources and experience of the youth corps community in an innovative manner to provide training and technical assistance to all crew-based programs. NASCC will provide a wide range of services designed to meet project and CNCS needs in accordance with proposal dated October 28, 1994....”</p> <p><u>Scope</u></p> <p>“The awardee will:</p> <ul style="list-style-type: none"> • Offer insight and training in corps best practices through Structured Site Visits and peer interaction; • Collaborate with CCC Training Institute to provide hard and specialty skills training for crew leaders and other key corps staff members; • Deploy Circuit Riders for specialized T/TA; and • Disseminate and provide training in the use of time-tested written forms, documents, and materials useful in corps operations and planning....”

National Association of Service and Conservation Corps
CA 95-11

	Date	Amount	Period of Performance	Purpose and Scope
Amend. 1	2/27/96	\$380,940	- 9/30/96	"Add a task to scope of work, extend period of performance for a second year...."
Amend. 2	5/30/96	N/C	- 9/30/96	Incorporate approved indirect cost rate.
Amend. 3	8/21/96	505,309	- 9/30/97	Scope of work amended and period of performance extended.
Amend. 4	10/9/96	N/C	- 9/30/97	Change in reporting requirement.
Total Cost		\$1,265,869		
Drawdown as of 8/12/97		\$1,078,669		

NOTE

Please refer to Scope and Methodology (Attachment 1) for an explanation of why the review was conducted in three phases.

First Phase

1. **Solicitation and Selection**

Review of the Official and Program files failed to disclose sufficient documentation to conduct an adequate review and render an informed opinion as to the adequacy of the solicitation and selection process used in awarding this agreement. The file does contain a memo dated 29 November 1994 which states in part that "we have now received a full proposal from NASCC which we recommend for funding." The memo states further that "the proposal has been reviewed by Peg and Natalie, who both recommend moving ahead."

2. **Oversight**

Review of the files failed to disclose substantial oversight of the provider by the Program Official (i.e., by trip reports, site visits, correspondence, technical direction and the like). Federal law (31 USC 6305) states with respect to a Cooperative Agreement that "substantial involvement is expected between the executive agency and the State, local government, or other recipient when carrying out the activity contemplated in the agreement."

National Association of Service and Conservation Corps
CA 95-11

3. Cost Extensions

The files disclose that for each of the cost amendments (Amendments 1 and 3) recommended reduced budgets were forwarded to the Grants Office by the Program Official with request for amendment. In each instance the amount funded was that recommended by the Program Official. The files failed to disclose any documentation by the Grants Officer relating to considerations involved in issuance of these amendments (or the basic agreement).

Material Submitted 2/18/97 Subsequent To Review of Official and Program Files (Second Phase)

1. Federal Register/Notice of Funds Availability
2. Individual Review Forms re: Concept Paper
3. Letter to NASCC Regarding Submission of Full Proposal
4. Consensus Review Forms re: NASCC Proposal
6. Memorandum (unsigned) recommending selection

4. Assessment of Documents Submitted through Second Phase

The Official file and subsequently submitted documents are inadequate to support the solicitation process since they do not include a copy of the Executive Director's approval of the NOFA. Documents related to the selection process are inadequate since there is no evidence of review of other proposals. The Official file is further deficient in that it contains no documents explaining the extent of review of the amounts proposed (in the original and amended budgets) by the Grants Officer or other documents as to how the Grants Officer satisfied himself that the amounts budgeted were reasonable. Neither the Official nor Program files evidence any substantial involvement by the Corporation representatives in the program.

5. Material Submitted 7/17/97 (Third Phase)

The Notice

- Notice of Availability of Funds: *Training and Technical Assistance*, Corporation for National Service, March 1994
- Federal Register, Part IX, *Corporation for National and Community Service, Availability of Funds for Training and Technical Assistance; Notice, March 28, 1994*
- Memorandum, July 15, 1997, former General Counsel *To Whom It May Concern*

Applicant Concept Paper

- No. 0414, The Center for New Corps Development

National Association of Service and Conservation Corps
CA 95-11

Concept Paper Individual Review Forms

- No. 0414, The Center for New Corps Development

Concept Paper Decision Memoranda

- Memorandum, August 15, 1994, from the Director, T/TA and the Program Official to Various Program Personnel, *Re: NASCC*
- Letter, September 30, 1994, from the Grants Officer to NASCC, *Training and Technical Assistance (T/TA) Notice of Availability of Funds (NOFA)*

The Proposal

- No. 1850, The Center for New Corps Development

Proposal Consensus Review Form

- No. 1850, The Center for New Corps Development

The Decision

- Memorandum, January 12, 1995, from the Director T/TA to the Executive and Deputy Executive Director, *Re: NASCC*

The Award

- Memorandum, January 24, 1995, from the Director T/TA to the Grants Specialist, *NASCC Cooperative Agreement*

6. Assessment of Documents Submitted (Third Phase)

A. Solicitation

Documentation includes Federal Register/NOFA of 28 March 1994, and a memo dated 15 July 1997 from the former General Counsel, stating that it was his "uniform and consistent practice before signing a Federal Register ... to obtain the final approval of the Corporation's Executive Director ... and that he followed this practice in connection with the Notice of Funds Availability published in the Federal Register on March 28, 1994."

National Association of Service and Conservation Corps
CA 95-11

B. Source Selection

- (1) Documentation furnished states that this Agreement was awarded in the area of "Additional or Alternative Training and Technical Assistance Activities" and that the National Association of Service and Conservation Corps was the only offeror in this area. (Underscoring supplied.) It is noted that the Federal Register of 28 March 1994 contains a "catch all" provision entitled "Invitation for Original Concept Papers Proposing Additional or Alternative T/TA Activities."
- (2) Memorandum of 12 January 1995, recommending selection, is unsigned by originator and does not indicate approval by the selection authority. Further, the Agreement is not included in the former Executive Director's memo of 17 July 1997 wherein she states that she approved funding for certain agreements.
- (3) The Corporation did not seek additional proposals for the types of services identified by responses to "Additional or Alternative Training and Technical Assistance Activities." Hence, this award was made without competition.

National Crime Prevention Council
CA 95-30

	Date	Amount	Period of Performance	Purpose and Scope
Basic Agreement	5/1/95	\$ 358,307	5/1/95 - 4/30/96	<p><u>Purpose</u> "National Crime Prevention Council (NCPC), will assume primary responsibility for providing a wide range of services designed to meet project and CNCS needs in accordance with proposal submitted January 17, 1995...."</p> <p><u>Scope</u> "The awardee will:</p> <ul style="list-style-type: none"> • Provide T/TA services for front-line supervisors; • Conduct supervisory workshops in each of the Corporation's clusters; • Establish an expert network of technical assistance providers who will help design and deliver comprehensive supervisory training as well as technical assistance to AmeriCorps programs; and • Develop a comprehensive Supervisor's Resource Guide for front-line supervisors."
Amend. 1	9/21/95	435,564	- 4/30/97	Extends period of performance for a second year.
Amend. 2	7/29/96	452,705	- 9/30/97	Amends statement of work, extends period of performance.
Amend. 3	10/10/96	N/C	- 9/30/97	Changes title and type of award, change in reporting requirement.
Total Cost		\$1,246,576		
Drawdown as of 8/12/97		\$1,040,237		

National Crime Prevention Council
CA 95-30

NOTE

Please refer to Scope and Methodology (Attachment 1) for an explanation of why the review was conducted in three phases.

First Phase

1. Solicitation, Selection

Review of the Official and Program files failed to disclose sufficient documentation to conduct an adequate review and render an informed opinion as to the adequacy of the solicitation and selection process used in awarding this agreement. The files do, however, contain "consensus forms" and an internal Corporation memo (unsigned) dated 6 November 1994 from the Director, Training and Technical Assistance, to the Managing Director discussing proposals received with recommendations for funding.

2. Oversight

Review of the files failed to disclose substantial oversight of the provider by the Program Official (i.e., by trip reports, site visits, correspondence, technical direction and the like). Federal law (31 USC 6305) states with respect to a Cooperative Agreement that "substantial involvement is expected between the executive agency and the State, local government, or other recipient when carrying out the activity contemplated in the agreement."

3. Cost Extensions

A. Amendment No. 1 - \$435,564

The files disclose correspondence from the Grantee by letter dated 31 July 1995, stating that the amount of the Cooperative Agreement "sets the funding at \$358,307 which is \$10,043 below the agreed upon \$368,350..." and that "I understand that once funds have been identified, an amendment of \$10,043 will be made to this Cooperative Agreement."

The Program Official by memo of 10 September 1995 forwarded a request to the Grants Office for the one year extension covered by this Amendment. The Program Official stated "I am also enclosing a budget ... in the amount of \$425,564."

National Crime Prevention Council
CA 95-30

3. A. Amendment No. 1 - \$435,564 - continued

The file discloses a request from the Grants Office to the Program Official requesting \$10,000 to make an amendment to the "CA 95-30" agreement and a notation on the "Award Approval & Fund Certification" for this amendment as follows:

\$ 425,564	2nd year
<u>10,000</u>	1st year
\$ 435,564	

The amendment was issued in the amount of \$435,564.

B. Amendment No. 2 - \$452,705

This amendment was issued in the amount of the reduced budget as requested by the Program Official.

C. Comments

The files disclosed a relatively high level of involvement by the Program Official and Grants Specialist in analyzing the budgets for the amendments. However, the files failed to disclose any documentation by the Grants Officer relating to considerations involved in issuance of the amendments (or the basic agreement).

Material Submitted 2/18/97 Subsequent To Review of Official and Program Files

1. Federal Register/Notice of Funds Availability
2. Consensus Review Form (NCPC)
3. Memorandum (unsigned) recommending selection

4. Assessment of Documents Submitted through Second Phase

The Official file and subsequently submitted documents are inadequate to support the solicitation process since they do not include a copy of the Executive Director's approval of the NOFA. Documents related to the selection process are inadequate since there is no evidence of review of other proposals. The Official file is further deficient in that it contains no documents explaining the extent of review of the amounts proposed (in the original and amended budgets) by the Grants Officer or other documents as to how the Grants Officer satisfied himself that the amounts budgeted were reasonable. Neither the Official nor Program files evidence any substantial involvement by the Corporation representatives in the program.

National Crime Prevention Council
CA 95-30

5. Material Submitted 7/17/97 (Third Phase)

The Notice

- Notice of Availability of Funds: *Training and Technical Assistance*, Corporation for National Service, March 1994
- Federal Register, Part IX, *Corporation for National and Community Service, Availability of Funds for Training and Technical Assistance; Notice, March 28, 1994*
- Memorandum, July 15, 1997, Former General Counsel *To Whom It May Concern*

Applicant Concept Paper

- No. 0232S National Crime Prevention Council

Concept Paper Review Form

- Concept paper score sheet from reviewers

Resulting Proposal(s)

- Proposal dated January 17, 1995
- Revised proposal dated March 13, 1995

Proposal Review

- National Crime Prevention Council was the only applicant. Given the concept paper was reviewed and approved for funding, review sheets were not required for the proposal review. The selection memorandum dated March 5, 1995 from the Director, T/TA to the Executive Director describes this process.

The Decision

- Memorandum dated November 6, 1994

Request from T/TA for execution of the Cooperative Agreement

- May 5, 1995 memo from the Director, T/TA to the Grants Specialist
- Fund certification requesting award
- July 12, 1995 memo from the Director, T/TA to the Grants Specialist

National Crime Prevention Council
CA 95-30

6. Assessment of Documents Submitted (Third Phase)

A. Solicitation

Documentation includes Federal Register/NOFA of 28 March 1994, and a memo dated 15 July 1997 from the former General Counsel, stating that it was his "uniform and consistent practice before signing a Federal Register ... to obtain the final approval of the Corporation's Executive Director ... and that he followed this practice in connection with the Notice of Funds Availability published in the Federal Register on March 28, 1994."

B. Source Selection

- (1) Documentation furnished states that the NCPC concept paper was the only concept paper submitted under the "Strengthening The Basic Category" that proposed supervisory training.
- (2) The files disclose a review by the Corporation of the concept paper received from NCPC but no review of the proposal. Documents state "Given the concept paper was received and approved for funding, review sheets were not required for the proposal review."
- (3) The selection memorandum of 5 March 1995 does not reflect approval by the selection authority. However, the Executive Director states in a memo of 17 July 1997 that she approved funding for the Agreement, among others.
- (4) The Corporation did not solicit other proposals for concept papers which did not respond to specific categories of Training and Technical Assistance identified in the NOFA. Hence, this award was made without competition.

ETR Associates
CA 95-06

	Date	Amount	Period of Performance	Purpose and Scope
Basic Agreement	2/1/95	\$500,000	2/1/95 - 7/31/96	<p><u>Purpose</u></p> <p>“ETR Associates, Inc., will assume primary responsibility for developing, operating, and managing a training and technical assistance ‘National Service Resource Center’ that supports the work of other CNCS T/TA providers, the State Commissions and other AmeriCorps grantees; and which will provide a wide range of services designed to meet project and CNCS needs in accordance with proposal dated September 20, 1994....”</p> <p><u>Scope</u></p> <ul style="list-style-type: none"> • “The awardee shall compile, store, retrieve and disseminate information and offer centralized services to other CNCS T/TA providers, the State Commissions and other AmeriCorps grantees; and • Develop and implement a service delivery system that will be responsive to service recipient needs, and then will provide resources in a prompt, timely, ‘user friendly’ manner.”
Amend. 1	6/19/95	N/C	- 7/31/96	Change in reporting requirement.
Amend. 2	1/25/96	N/C	- 9/30/96	No cost time extension.
Amend. 3	3/30/96	24,371	- 9/30/96	Adds task to scope of work.
Amend. 4	8/14/96	700,000	- 9/30/97	Extends period of performance.
Amend. 5	10/9/96	N/C	- 9/30/97	Change in reporting requirement.
Total Cost		\$1,224,371		
Drawdown as of 8/12/97		\$879,985		

ETR Associates
CA 95-06

NOTE

Please refer to Scope and Methodology (Attachment 1) for an explanation of why the review was conducted in three phases.

First Phase

1. Solicitation, Selection

Review of the Official and Program files failed to disclose sufficient documentation to conduct an adequate review and render an informed opinion as to the adequacy of the solicitation and selection process used in awarding this agreement. The review did disclose a discussion of the ETR proposal and a NOFA (unidentified).

2. Oversight

Review of the files failed to disclose substantial oversight of the provider by the Program Official (i.e., by trip reports, site visits, correspondence, technical direction and the like). Federal law (31 USC 6305) states with respect to a Cooperative Agreement that "substantial involvement is expected between the executive agency and the State, local government, or other recipient when carrying out the activity contemplated in the agreement."

3. Cost Extensions

A. Amendment No. 3 - \$24,371

The files disclose that ETR, in response to the Corporation requests, submitted two separate budgets; one for \$8,371 "to support a concentrated outreach effort..." and the other for \$16,000 which "will extend our current scope of work through September 30, 1996... and reflects our discussions of enhancements of current services." By memo of 20 February 1996, the Program Official forwarded the budgets to the Grants Office requesting an amendment stating the "Proposed costs are reasonable and we concur with the request for additional funds." The file discloses E-mail communications between the Grants Specialist and the Program Official regarding the proposed amendment. The amendment was issued in the amount of the budgets (i.e., \$24,371).

B. Amendment No. 4 - \$700,000

The Program Official by memo of 20 June 1996 to the Grants Specialist requested that an amendment be issued for \$700,000 and that the expiration date be extended to 30 September 1997. The files disclosed questioning of the budget by the Grants Specialist; however, the amendment was issued for \$700,000.

ETR Associates
CA 95-06

3. C. Comments - continued

The files failed to disclose any documentation by the Grants Officer relating to considerations involved in issuance of the amendments (or the basic agreement).

Material Submitted 2/18/97 Subsequent To Review of Official and Program Files (Second Phase)

1. Federal Register/Notice of Funds Availability
2. List of Concept Papers Submitted
3. Individual Review Forms (ETR)
4. List of agencies asked to submit full proposals
5. Individual Review Forms (ETR and Appalachia Educational Laboratory)
6. Memorandum recommending selection

4. Other Matters

In the proposal for the basic Cooperative Agreement, ETR proposed \$500,000 which included a fee which was challenged by the Grants Specialist. The proposal was revised to remove the fee but costs were increased in certain areas. The agreement was issued for \$500,000. Files fail to disclose documentation by the Grants Officer of the considerations involved in issuance of the agreement.

5. Assessment of Documents Submitted through Second Phase

The Official file and subsequently submitted documents are inadequate to support the solicitation process since they do not include a copy of the Executive Director's approval of the NOFA. Documents related to the selection process are inadequate because they lack a complete set of the review forms for ETR and Appalachia Educational Laboratory. The Official file is further deficient in that it contains no documents explaining the extent of review of the amounts proposed (in the original and amended budgets) by the Grants Officer or other documents as to how the Grants Officer satisfied himself that the amounts budgeted were reasonable. Neither the Official nor Program files evidence any substantial involvement by the Corporation representatives in the program.

6. Material Submitted 7/17/97 (Third Phase)

The Notice

- Notice of Availability of Funds: *Training and Technical Assistance*, Corporation for National Service, March 1994
- Federal Register, Part IX, *Corporation for National and Community Service, Availability of Funds for Training and Technical Assistance; Notice, March 28, 1994*
- Memorandum, July 15, 1997, Former General Counsel *To Whom It May Concern*

ETR Associates
CA 95-06

Applicant Concept Papers

- No. 0105, Research and Evaluation Associates, Inc.
- No. 0106, ETR Associates
- No. 0107, Appalachia Educational Laboratory, Inc.
- No. 0108, University of South Carolina - Division of Information Technology
- No. 0109, University of Pennsylvania - WEPIC Replication Project
- No. 0110, State of Hawaii Office of Community Services
- No. 0111, North Central Regional Educational Laboratory
- No. 0112, Youth Service America
- No. 0113, Orion Business Services, Inc.
- No. 0114, Westover Consultants, Inc.
- No. 0115, State of Hawaii Office of Community Services

Concept Paper Individual Review Forms and Summaries

- Concept paper score sheet from outside reviewers: National Service Resource Center
- Excerpts from August 10, 1994 Memorandum from the Director, T/TA and the Program Official through the Director, National and Community Service Programs to the Chief Executive Officer, *T/TA Concept Paper Review*
- Memorandum, August 15, 1994 from the Director, National and Community Service Programs to the former CEO, *T/TA Concept Papers*
- Memorandum, June 23, 1994, from the Program Official to the Director, T/TA *National Resource Center concept paper applications*

Resulting Proposals

- No. 1809, ETR Associates
- No. 1818, Appalachia Educational Laboratory, Inc.
- No. 1820, North Central Regional Educational Laboratory
- No. 1823, Research and Evaluation Associates, Inc.
- No. 1828, University of South Carolina - Division of Information Technology

Proposal Consensus Review Forms

- No. 1820, North Central Regional Educational Laboratory
- No. 1809, ETR Associates
- No. 1818, Appalachia Educational Laboratory, Inc.
- No. 1823, Research and Evaluation Associates, Inc.
- No. 1828, University of South Carolina - Division of Information Technology

ETR Associates
CA 95-06

The Decision

- Selection Recommendation Memo (Director, T/TA to the Executive Director of October 20, 1994) explains the rationale behind this recommendation and provides information on the submissions of other providers.

The Award

- Award Approval and Fund Certification submitted December 21, 1994

7. Assessment of Documents Submitted (Third Phase)

A. Solicitation

Documentation includes Federal Register/NOFA of 28 March 1994, and a memo dated 7/15/97 from the former General Counsel, stating that it was his "uniform and consistent practice before signing a Federal Register ... to obtain the final approval of the Corporation's Executive Director ... and that he followed this practice in connection with the Notice of Funds Availability published in the Federal Register on March 28, 1994." (National Service Resource Center) Category of NOFA applies.

B. Source Selection

- (1) Thirteen concept papers were submitted. Of the five asked to submit full proposals, ETR's concept paper was ranked third.
- (2) Of the five (5) proposals received, ETR's Proposal was ranked second. (University of South Carolina was ranked first.)
- (3) The ranking sheet furnished 17 July 1997 for the concept papers and the proposals reflect the following:

ETR Associates
CA 95-06

ETR Associates

Concept Paper Resource Center

		Score 1	Score 2	Average Score
0108	University of S. Carolina - Div. Of Information Technology	95	88	91.5
0107	Appalachia Education Laboratory, Inc.	82	90	86
0106	ETR Associates	87	83	85
0105	Research and Evaluation Associates, Inc.	78	84	81
0111	North Central Regional Educational Laboratory	93	69	81
0112	Youth Service America	82	76	79
0113	Orion Business Services, Inc.	80	61	70.5
0109	University of Pennsylvania - WEPIC Replication Project	91	39	65
0114	Westover Consultants, Inc.	59	67	63
0110	State of Hawaii Office of Community Svcs	35	24	29.5
0115	State of Hawaii Office of Community Svcs	20	35	27.5

Resulting Proposals

	Organization	Panel Score
1820	North Central Regional Educational Laboratory	64
1809	ETR Associates	81
1818	Appalachia Educational Laboratory	49
1823	Research and Evaluation Associates	58
1828	University of South Carolina	88

ETR Associates
CA 95-06

- (4) Award was made to other than the highest ranking offeror. The memorandum of 20 October 1994, recommending selection of ETR (approved by the Executive Director) cited delay due to a second needs assessment as the reason to award to ETR rather than USC.

National MultiCultural Institute
CA 95-27

	Date	Amount	Period of Performance	Purpose and Scope
Basic Agreement	5/1/95	\$300,000	5/1/95 - 4/30/96	<p><u>Purpose</u> "National MultiCultural Institute (NMCI), will assume primary responsibility for training and technical assistance in 'Strengthening Program Diversity' for AmeriCorps' State Commissions and grantee agencies. NMCI will provide a wide range of services designed to meet project and CNCS needs in accordance with proposal submitted September 22, 1994...."</p> <p><u>Scope</u> "The awardee will train approximately 470 trainees from AmeriCorps and grantee agencies in 'Training of Diversity Trainers.' The training will prepare participants to train their staff of cultural awareness; and to develop and implement strategies to recruit and retain a diverse staff and member group. It will include a broad definition of diversity which will also address the disabled population and will include information on how to design a workplace for a multi cultural staff and member group. The awardee will also provide follow-up and technical assistance via an 800 telephone line and limited site visits."</p>
Amend. 1	1/25/96	N/C	- 9/30/96	No cost time extension.
Amend. 2	3/29/96	100,000	- 9/30/96	"Add additional funds to provide for continuation of on-going activities."

National MultiCultural Institute
CA 95-27

	Date	Amount	Period of Performance	Purpose and Scope
Amend. 3	6/19/96	\$506,217	- 4/30/97	Expand the scope of work, extend the period of performance for a second year.
Total Cost		\$906,217		
Drawdown as of 8/12/97		\$905,845		

NOTE

Please refer to Scope and Methodology (Attachment 1) for an explanation of why the review was conducted in three phases.

First Phase

1. Solicitation, Selection

Review of the Official and Program files failed to disclose sufficient documentation to conduct an adequate review and render an informed opinion as to the adequacy of the solicitation and selection process used in awarding this agreement. The Program file did, however, reveal existence of a memo dated 10 February 1995 (unsigned) from the Director, Training and Technical Assistance to the Managing Director, the Corporation requesting approval to begin negotiations with the National MultiCultural Institute (NMCI). The memo also discusses the proposals submitted by NMCI and other offerors.

2. Oversight

Review of the files failed to disclose substantial oversight of the provider by the Program Official (i.e., by trip reports, site visits, correspondence, technical direction and the like). Federal law (31 USC 6305) states with respect to a Cooperative Agreement that "substantial involvement is expected between the executive agency and the State, local government, or other recipient when carrying out the activity contemplated in the agreement."

3. Cost Extensions

A. Amendment No. 2 - \$100,000

The files disclosed that the grantee submitted a budget in the amount of \$98,256 which was subsequently revised to \$100,000. The Program Official by memo dated 15 March 1996, forwarded the budget and requested that an amendment be issued. The memo stated, in part, that the increase resulted from unanticipated needs and other effort requested from NMCI. The amendment was issued in the amount of \$100,000. The files fail to disclose documentation of the transaction by the Grants Officer.

National MultiCultural Institute
CA 95-27

3. B. Amendment No. 3 - \$506,217

The files disclosed that an updated proposal for second year funding was submitted by the Grantee in the amount of \$506,217 and the amendment as issued is in like amount. The files failed to disclose documentation of the transaction by the Grants Officer.

Material Submitted 2/18/97 Subsequent To Review of Official and Program Files (Second Phase)

1. Federal Register/Notice of Funds Availability
2. List of Concept Papers Submitted
3. Individual Review Forms (NMCI)
4. Concept Papers Assessments and Recommendation
5. List of providers recommended for full proposals
6. Memorandum regarding initial recommendations on selection
7. Consensus Review Forms (NMCI and World Independence Fund)
8. Memorandum recommending selection

4. Other Matters

The files fail to disclose documentation by the Grants Officer of the considerations involved in issuance of the basic agreement.

5. Assessment of Documents Submitted through Second Phase

The Official file and subsequently submitted documents are inadequate to support the solicitation process since they do not include a copy of the Executive Director's approval of the NOFA. Documents related to the selection process are inadequate since they do not contain evidence of review of concept papers not considered for award. The Official file is further deficient in that it contains no documents explaining the extent of review of the amounts proposed (in the original and amended budgets) by the Grants Officer or other documents as to how the Grants Officer satisfied himself that the amounts budgeted were reasonable. Neither the Official nor Program files evidence any substantial involvement by the Corporation representatives in the program.

6. Material Submitted 7/17/97 (Third Phase)

The Notice

- Notice of Availability of Funds: *Training and Technical Assistance*, Corporation for National Service, March 1994
- Federal Register, Part IX, *Corporation for National and Community Service, Availability of Funds for Training and Technical Assistance; Notice, March 28, 1994*
- Memorandum, July 15, 1997, Former General Counsel *To Whom It May Concern*

National MultiCultural Institute
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Applicant Concept Papers

- No. 0400, National Association of Service and Conservation Corps
- No. 0401, Center for Volunteerism and Community Service
- No. 0402, Disability Rights Education and Defense Fund
- No. 0403, National Easter Seal Society
- No. 0404, Governor's Council on Developmental Disabilities for Georgia
- No. 0405, World Interdependence Fund
- No. 0406, Wayne State University - Developmental Disabilities Institute
- No. 0407, Criminal Justice Institute
- No. 0408, United Cerebral Palsy Association
- No. 0409, Milwaukee Associates in Urban Development
- No. 0410, ADL - A World of Difference Institute
- No. 0411, Campus Outreach Opportunity League
- No. 0412, DC Student Coalition Against Apartheid and Racism
- No. 0413, RESNA
- No. 0414, National Association of Service and Conservation/CA Conservation Corps
- No. 0221, National MultiCultural Institute
- No. 0420S, Kama Khalina and Associates
- No. 0421S, Children's Hospital of Los Angeles
- No. 0422S, New York State Governor's Office on Voluntary Service

Concept Paper Individual Review Forms and Summaries

- Concept Paper Individual Review Forms from outside reviewers for: *Strengthening Program Diversity*
- Memorandum, June 30, 1994, from the Program Official to the Director, T/TA, *Diversity Concept Papers*
- Excerpts from August 10, 1994 Memorandum from the Director, T/TA to the former CEO, *T/TA Concept Paper Review*
- Memorandum, August 15, 1994 from the Director, National and Community Service Programs to the former CEO, *T/TA Concept Papers*

Resulting Proposals

- No. 1801, ADL - A World of Difference Institute
- No. 1807, National Easter Seal Society
- No. 1811, Disability Rights Education and Defense Fund
- No. 1817, Milwaukee Associates in Urban Development
- No. 1819, World Interdependence Fund
- No. 1822, Governor's Council on Developmental Disabilities for Georgia
- No. 1829, Wayne State University

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Resulting Proposals (continued)

- No. 1840, Campus Outreach Opportunity League
- No. 1843, National MultiCultural Institute
- No. 1846, United Cerebral Palsy Association
- No. 1847, RESNA

Proposal Consensus Review Forms

- No. 1801, ADL - A World of Difference Institute
- No. 1807, National Easter Seal Society
- No. 1811, Disability Rights Education and Defense Fund
- No. 1817, Milwaukee Associates in Urban Development
- No. 1819, World Interdependence Fund
- No. 1822, Governor's Council on Developmental Disabilities for Georgia
- No. 1829, Wayne State University
- No. 1840, Campus Outreach Opportunity League
- No. 1843, National MultiCultural Institute
- No. 1846, United Cerebral Palsy Association
- No. 1847, RESNA

The Decision

- Memorandum, December 27, 1994 (from the Director, T/TA to the Executive Director) summarizing the conclusions of the panel and recommending the selection of Proposals 1817, 1819 and 1846.
- Selection Recommendation memo (from the Director, T/TA to the Executive Director) dated February 10, 1995 summarizing the conclusions of the panel and recommending the selection of NMCI.

The Award

- Approval Award and Fund Certification submitted April 7, 1995

7. Assessment of Documents Submitted (Third Phase)

A. Solicitation

Documentation includes Federal Register/NOFA of 28 March 1994, and a memo dated 15 July 1997 from the former General Counsel, stating that it was his "uniform and consistent practice before signing a Federal Register ... to obtain the final approval of the Corporation's Executive Director ... and that he followed this practice in connection with the Notice of Funds Availability published in the Federal Register on March 28, 1994." The NOFA category "Strengthening Program Diversity" applies.

National MultiCultural Institute
CA 95-27

B. Source Selection

- (1) NMCI's application was ranked in the "second tier" of proposals received. Three other proposals were ranked higher. Although the two highest ranked proposals were rejected based on discussions with those offerors, the Corporation did not hold discussions with the other higher ranked applicant before having discussions with, and choosing NMCI for an award.
- (2) No ranking of offerors furnished.
- (3) Selection memo of 10 February 1995 recommending NCMI for selection differs substantially from memo of 27 December 1994 wherein the Corporation recommended declining of certain proposals, including the NCMI proposal. In this unsigned memo recommending that the proposal of NCMI be declined, it was stated "This mammoth operation proposes standard diversity training, without much sense of national service or the needs of AmeriCorps programs."

National Association For Community Mediation
CA 95-29

	Date	Amount	Period of Performance	Purpose and Scope
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Basic Agreement	5/15/95	\$399,989 177,970*	5/15/95 - 5/14/96	<p><u>Purpose</u></p> <p>"National Association for Community Mediation (NAFCM), will assume primary responsibility for developing and providing conflict mediation training to AmeriCorps members. NAFCM will provide a wide range of services designed to meet project and CNCS needs in accordance with proposal dated March 7, 1995."</p>
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Scope

"The awardee will:

- Provide conflict mediation training to approximately 8,000 AmeriCorps members, utilizing the services of NAFCM trainers located throughout the United States;"
- "Develop a conflict mediation training curriculum for use by AmeriCorps grantees that will include: 1) management of interpersonal conflicts in the workplace and in the community, 2) negotiation of conflicts; and 3) collaborative planning and problem;"

National Association For Community Mediation
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Date	Amount	Period of Performance	Purpose and Scope
			<ul style="list-style-type: none">• “Develop a conflict resolution training curriculum that will provide: 1) a curriculum for training AmeriCorps members in conflict resolution skills; 2) as an introductory, an explanation to AmeriCorps program directors why conflict resolution training is important for AmeriCorps members, how it relates to the issues of citizenship, personal, and community responsibility and to the issues that they will address through their service. It should also provide an overview of the curriculum and briefly describe its theoretical and pedagogical underpinnings; and 3) a listing of potential training providers at the local and/or any networks or other resources that could be of assistance;”• “Prepare a 50 page conflict mediation workbook with a 6-8 page introduction and orientation to the general subject of conflict resolution skill training stressing the importance of developing these skills, relate it to the role of AmeriCorps Members as active and responsible citizens, and to the service they are performing in the community;” and

National Association For Community Mediation
CA 95-29

	Date	Amount	Period of Performance	Purpose and Scope
				<ul style="list-style-type: none"> • "Prepare a conflict mediation trainer's guide that will provide suggestions on how to design training, assess local training needs, and include AmeriCorps staff as co-trainers in the training."
Amend. 1	9/21/95	\$ 20,000	- 5/14/96	Add task to scope of work.
Amend. 2	5/1/96	122,733 41,288*	- 9/30/96	"Allow for continuation of on-going activities and extend period of performance."
Amend. 3	7/1/96	26,438	- 9/30/96	Add funds to cover the cost of three deliverables previously approved.
Amend. 4	12/18/96	395,000 122,600*	- 9/30/97	Expand scope of work; extend period of performance for a second year.
Government Share		\$ 964,160		
*Grantee Share		<u>341,858</u>		
Total Cost		\$1,306,018		
Drawdown as of 8/12/97		\$743,160		

National Association For Community Mediation
CA 95-29

NOTE

Please refer to Scope and Methodology (Attachment 1) for an explanation of why the review was conducted in three phases.

First Phase

1. Solicitation, Selection

Review of the Official and Program files failed to disclose sufficient documentation to conduct an adequate review and render an informed opinion as to the adequacy of the solicitation and selection process used in awarding this agreement. The files do, however, contain a draft NOFA submitted to the Managing Director for review by memo of 4 December 1994 and a memo dated 31 March 1995 subject "selection of T/TA Provider for Conflict Mediation Training for AmeriCorps Members." This memo requests approval of National Association for Community Mediation and also discusses proposals from other offerors. The memo includes "T/TA Review Forms" applicable to National Association for Community Mediation. Files did not disclose documentation indicating approval or disapproval.

2. Oversight

The files disclosed a multitude of problems in administering the agreement. The files disclose continual involvement by the Program Official and the Grants Specialist to get the agreement under control. For example, see item 4, Other Matters.

3. Cost Extensions

A. Amendment No. 1 - \$20,000

This amendment dated 21 September 1995 adds a task to the scope of work which reads:

- Design and conduct a general orientation session to conflict management/conflict resolution to be conducted at State Commission's workshops. The amount funded by this amendment is not cost shared but consists of the Corporation funding."

The files disclose a memo of 11 September 1995 from the Program Official to the Grants Specialist requesting this \$20,000 amendment. The memo states, in part, that this amendment is for \$20,000 to cover trainer fees, copying, travel costs and per diem for orienting members and staff at 10 statewide member orientations/trainings.

The files failed to disclose documentation by the Grants Officer supporting this transaction.

National Association For Community Mediation
CA 95-29

B. Amendment No. 2 - \$164,021 (Government \$122,733 - Grantee \$41,288)

The files disclosed a memo dated 28 March 1996 from the Program Official to the Grants Specialist requesting the amendment. The memo states, in part, that the required document for an amendment is attached (memo from grantee and budget) and that "this document requests an increase in activities and funds for 25 trainings in addition to the current agreement total of 228, the development of Module 3, the supplemental deliverable, and the T/TA national provider meeting in May 1995." Extension of the expiration date to September 30, 1996 was also requested by this memo.

The files failed to disclose documentation by the Grants Officer of the considerations involved in issuance of the amendment.

C. Amendment No. 3 - \$26,438 (No share)

Review of the files failed to disclose adequate documentation surrounding this transaction to conduct a review. Further, the files failed to disclose documentation of this transaction by the Grants Officer.

D. Amendment No. 4 - \$517,600 (Government \$395,000 - Grantee \$122,600)

The Program Official by memo dated 29 October 1996 to the Grants Specialist requested an extension for a second year in the amount of \$395,000 (Government share). The files disclose that the Grants Specialist raised several budget issues by memo of 16 December 1996 to the Grantee's Project Director who responded by memo of same date. The Amendment, as issued, was in agreement with the Grantee's budget, i.e., \$395,000 (Government share) and \$122,600 (Grantee in-kind contribution.)

The files failed to disclose documentation by the Grants Officer supporting that transaction.

4. Other Matters

- A. The offeror's proposed budget was in the amount of \$577,959 which included applicant funds and in kind support of \$177,970. The Director, Training and Technical Assistance by memo of 21 April 1995 transmitted the budget to the Grants Specialist requesting issuance of a Cooperative Agreement. The Agreement was issued with an effective date of 15 May 1995 with funding as included in the offeror budget. The files failed to disclose documentation of the transaction by the Grants Officer.
- B. The files disclosed a number of requests for amendments and additional funding from the Corporation by the offeror. The requests, in part, are the subject of a memo by the Grants Specialist dated 21 November 1995 to the Grantee in which she notes "the work requested by the T/TA Program Official is within the general scope of work..." and that "an amendment to the agreement is not necessary each time a request is made by Program Officials."

National Association For Community Mediation
CA 95-29

- C. One of the issues raised by the Grantee during performance was the expense incurred to send an individual to attend a T/TA meeting in May 1995 (which appears to be covered by Amendment No. 2). The requirement for this trip is the subject of a memo dated 28 April 1995 from the Director, Training and Technical Assistance, to the grantee stating a meeting of providers was scheduled for May 16-17 and that "the corporation will cover transportation and per diem costs for one representative from each provider organization."
- D. Documentation reveals hotel room (one night) at \$185.00 for the May 1995 meeting.
- E. The files failed to disclose documentation by the Grants Officer of the considerations involved when issuing the basic agreement.

Material Submitted 2/18/97 Subsequent To Review of Official and Program Files (Second Phase)

- 1. Federal Register/Notice of Funds Availability
- 2. T/TA Review Form
- 3. Memorandum recommending selection

5. Assessment of Documentation through Second Phase

The Official file and subsequently submitted documents are inadequate to support the solicitation process since they do not include a copy of the Executive Director's approval of the NOFA. Documents related to the selection process are inadequate since they do not include evidence of review or ranking of proposals. The Official file is further deficient in that it contains no documents explaining the extent of review of the amounts proposed (in the original and amended budgets) by the Grants Officer or other documents as to how the Grants Officer satisfied himself that the amounts budgeted were reasonable.

6. Material Submitted 7/17/97 (Third Phase)

The Notice

- Memo of December 4, 1994 from the Director, T/TA to the Executive Director *regarding "NOFA for Conflict Mediation."* Memo transmit draft NOFA to the Executive Director for concurrence. Handwritten annotation by the Executive Director, as follows: "...It looks fine - see one comment in the requirements section. S."
- Federal Register, Vol. 60, No. 12, Thursday, January 19, 1995. Page 3845, *Corporation for National and Community Service, "Conflict Mediation Training for AmeriCorps Members, Availability of Funds."*

National Association For Community Mediation
CA 95-29

Applicant Proposals

- Proposals received from 18 organizations.

Review Forms

- Consensus Review Forms for each bidder.

The Decision

- Memo of March 31, 1995, from the Director, T/TA to the Executive Director regarding *"Selection of T/TA provider for Conflict Mediation Training for AmeriCorps Members"*

Request from T/TA for execution of the Cooperative Agreement

- Memo from the Director, T/TA to the Grants Specialist, dated April 21, 1995. Memo transmits NAFCM proposal and additional information from the Director of T/TA to the Grants specialist for initiation of the cooperative agreement.

7. Assessment of Documents Submitted (Third Phase)

A. Solicitation

Federal Register of 19 January 1995 provided notice of funds availability for "Conflict Mediation Training for AmeriCorps Members." Files disclose that a draft NOFA was submitted to the Executive Director for concurrence. The Executive Director, by note on the forwarding memo states "... looks fine - see one comment in requirements section." The files fail to disclose final approval of the NOFA by the Executive Director. The Federal Register notice of 19 January 1995 was signed by the former General Counsel. The former General Counsel's memo of 15 July 1997 regarding NOFA approvals, applies only to the Federal Register published 28 March 1994.

B. Source Selection

- (1) The selection memo of 31 March 1995 (signed and approved) recommended selection of NAFCM and a brief evaluation discussed strengths and weaknesses of the other four (4) finalists. (Eighteen proposals were received.) No ranking was provided.

Youth Service America
CA 95-03

	Date	Amount	Period of Performance	Purpose and Scope
Basic Agreement	1/1/95	\$400,420	1/1/95 - 12/31/95	<p><u>Purpose</u> "Youth Service America (YSA), will assume primary responsibility to provide training and technical assistance to all State Commissions, in accordance with proposal dated November 1, 1994 and budget revision dated January 18, 1995...."</p> <p><u>Scope</u> "The awardee shall provide responsive technical assistance to all State Commissions in the areas of Planning and Program Development."</p>
Amend. 1	6/19/95	N/C	- 12/31/95	Change in reporting requirement.
Amend. 2	1/25/96	N/C	- 3/31/96	No cost time extension.
Amend. 3	6/28/96	41,109	- 7/31/96	Extends period of performance, incorporates revised indirect cost rate.
Total Cost		\$441,529		
Drawdown as of 8/12/97		\$441,529		

NOTE

Please refer to Scope and Methodology (Attachment 1) for an explanation of why the review was conducted in three phases.

First Phase

1. **Solicitation and Selection**

Review of the Official and Program files failed to disclose sufficient documentation to conduct an adequate review and render an informed opinion as to the adequacy of the solicitation and selection process used in awarding this agreement. The Program file does reveal, however, an unsigned memo dated 17 January 1995 regarding selection of Youth Service America, among others, with a discussion of other offerors. The file also includes individual review forms.

Youth Service America
CA 95-03

2. Oversight

Review of the files failed to disclose substantial oversight of the provider by the Program Official (i.e., by trip reports, site visits, correspondence, technical direction and the like). Federal law (31 USC 6305) states with respect to a Cooperative Agreement that "substantial involvement is expected between the executive agency and the State, local government, or other recipient when carrying out the activity contemplated in the agreement."

3. Cost Extensions

Amendment No. 3 - \$41,109

The files disclosed that the grantee submitted a letter to the Corporation dated 22 March 1996 wherein it is stated that "YSA incurred \$41,109 in unreimbursed expenses ... which are directly related to an overhead rate of 59.11% compared to the grant approved rate of 37.8%." The amendment as issued was in the requested amount. The files failed to disclose documentation of the transaction by the Grants Officer.

4. Other Matters

The files fail to disclose documentation of the considerations involved in issuance of the basic agreement.

Material Submitted 2/18/97 Subsequent To Review of Official and Program Files (Second Phase)

1. Federal Register/Notice of Funds Availability
2. List of Concept Papers Submitted
3. Assessments and Recommendations Notes
4. Individual Review Forms
5. Memorandum (unsigned) recommending selection

5. Assessment of Documentation through Second Phase

The Official file and subsequently submitted documents are inadequate to support the solicitation process since they do not include a copy of the Executive Director's approval of the NOFA. The Official file is further deficient in that it contains no documents explaining the extent of review of the amounts proposed (in the original and amended budgets) by the Grants Officer or other documents as to how the Grants Officer satisfied himself that the amounts budgeted were reasonable. Neither the Official nor Program files evidence any substantial involvement by the Corporation representatives in the program.

Youth Service America
CA 95-03

6. Material Submitted 7/17/97 (Third Phase)

The Notice

- Notice of Availability of Funds: *Training and Technical Assistance*, Corporation for National Service, March 1994
- Federal Register, Part IX, *Corporation for National and Community Service, Availability of Funds for Training and Technical Assistance; Notice, March 28, 1994*
- Memorandum, July 15, 1997, Former General Counsel *To Whom It May Concern*

Applicant Concept Papers

- No. 0800, CLW Associates
- No. 0801, Education Commission of the States/Campus Compact
- No. 0802, Mid-Iowa Community Action, Inc.
- No. 0803, National Association of RSVP Directors (this concept paper offered to conduct outreach activities to state commissions that related specifically to the use of senior volunteers in AmeriCorps programs, it was not appropriate for consideration in this category)
- No. 0806, Westover Consultants
- No. 0804, Youth Service America
- No. 0805, Youth Service America (this concept paper offered to provide support services in connection with Youth Service Day, it was not appropriate for consideration in this category)
- No. 0810S, New York City Mission Society
- No. 0811S, Public Private Ventures

Individual Review Forms

- No. 0800, CLW Associates
- No. 0801, Education Commission of the States/Campus Compact
- No. 0802, Mid-Iowa Community Action, Inc.
- No. 0803, National Association of RSVP Directors
- No. 0806, Westover Consultants
- No. 0804, Youth Service America
- No. 0805, Youth Service America (this concept paper offered to provide support services in connection with Youth Service Day, it was not appropriate for consideration in this category)
- No. 0810S, New York City Mission Society
- No. 0811S, Public Private Ventures

Youth Service America
CA 95-03

Concept Paper Scores and Summaries

- Concept Paper Ranking Sheet
- Summary of Concept Paper Score Sheets from the Corporation consultant

The Proposals

- No. 1825, Education Commission of the States/Campus Compact
- No. 1826, Youth Service America

Review Forms

- No. 1825, Education Commission of the States/Campus Compact
- No. 1826, Youth Service America

The Decision

- Selection Recommendation Memo (Director, T/TA to Executive Director and Deputy Executive Director, of November 18, 1994).

The Award

- Memorandum of November 29, 1994 from the Director, T/TA to the Grants Specialist requesting issuance of the cooperative agreement.

7. Assessment of Documents Submitted (Third Phase)

A. Solicitation

- (1) Federal Register/NOFA of 28 March 1994 provided Notice of Funds availability in a number of areas including "Training and Technical Assistance for State Commissions." This is the area covered by this Cooperative Agreement. While the files fail to disclose approval of the NOFA by the Executive Director, the former General Counsel, states in memo of 15 July 1997 that it was his consistent practice to ensure the Executive Director's approval of the NOFA before signing of the Federal Register.

Youth Service America
CA 95-03

B. Source Selection

- (1) The files disclosed that nine (9) concept papers were received from eight (8) organizations (YSA submitted two). Documentation indicates that one of the concept papers submitted by YSA was for Youth Service Day and did not apply to this category (State Commissions). The files further disclose that only two (2) organizations were requested to submit full proposals. The Executive Director, by memo of 17 July 1997 states she approved funding for this agreement.
- (2) The ranking sheet furnished 17 July 1997 for the concept papers and the proposals reflect the following:

Youth Service America

Concept Paper	State Commission	Score 1	Score 2	Average Score
0804	Youth Service America	94	80	87
0803	National Association of RSVP Directors	79	88	83.5
0801	Edn. Commission of the States/Campus Compact (Brown University)	76	86	81
0802	Mid-Iowa Community Action, Inc.	90	68	81
0806	Westover Consultants, Inc.	87	49	68
0800	CLW Associates	81	34	57.5
0810S	New York City Mission Society	28	38	33
0811S	Public Private Ventures	51	41	46

Resulting Proposals

Serial #	Organization	Panel Score
1826	Youth Service America	85
1825	Education Commission of the States/Campus Compact (Brown University)	61

Youth Service America
CA 95-03

- (3) Comments on (2) above
- (a) Proposals were not requested from three of the organizations whose concept papers were ranked in the above 80 range.
 - (b) A proposal was requested from the number 3 ranked offeror and not the number 2 ranked offeror.
 - (c) There is a substantial difference in ranking of concept papers between the #1 reviewer and #2 reviewer (see especially CLW Associates and Westover Consultants).

Youth Service America
CA 95-20

	Date	Amount	Period of Performance	Purpose and Scope
Basic Agreement	3/2/95	\$25,000	3/2/95 - 6/1/95	<p><u>Purpose</u> "The purpose of this Agreement is to promote the ethic of service to the American citizenry by organizing a 'National Day of Service' in conjunction with the National Youth Service Day."</p> <p><u>Project Objective</u> "The project objectives are to organize and promote national service activities for April 25, 1995, which will be recognized as a 'National Day of Service,' by providing information about national service to the national and local media, service organizers, state commissions and alternative administrative entities, which are involved in national and community service activities at the state level, and the Corporation for National and Community Service funded programs. These activities will be conducted in conjunction with Youth Service America's National Youth Service Day project."</p> <p>Note: Fixed price Agreement</p>
Total Cost		\$25,000		
Drawdown as of 8/12/97		\$25,000		

Youth Service America
CA 95-20

NOTE

Please refer to Scope and Methodology (Attachment 1) for an explanation of why the review was conducted in three phases.

First Phase

1. Solicitation, Selection

Review of the Official and Program files disclosed a minimum of documentation/information relating to this Cooperative Agreement.

The files disclosed a memo dated 2 August 1995, the subject of which is "Review of Cooperative Agreement for YSA." The date of the memo is five (5) months later than the date of the Cooperative Agreement. In the memo the Grants Specialist states, in part, the following:

- A. "There was no budget for the \$25,000. The budget had to be resubmitted several times due to lack of explanation."
- B. "The figures on the cover page of the original proposal and the budget narrative did not match...."
- C. "The format of the Cooperative Agreement is not the standard that is now being used for all agreements in our division. It was recommended that [Office of General Counsel] use the format. She did not, but the format she used was acceptable."

2. Other Matters

- A. The Fund Certification Form for the Cooperative Agreement states the fund source as - Executive Director 95-201017148-4101.
- B. The files failed to disclose documentation by the Grants Officer of the considerations involved in issuance of the agreement.
- C. The agreement is fixed price.

Material Submitted 2/18/97 Subsequent To Review of Official and Program Files (Second Phase)

- 1. Federal Register/Notice of Funds Availability
- 2. List of Concept Papers Submitted
- 3. Memorandum recommending award

Youth Service America
CA 95-20

3. Assessment of Documentation through Second Phase

This award was not competitive, but was made after discussions between YSA and the Corporation, and not as a result of a response to a NOFA or other general announcement of funds available for this proposal.

4. Third Phase Review

No documentation was furnished by the Corporation for this agreement for the third phase of our review.

AFL/CIO - Human Resources Development Institute
CA 95-24

	Date	Amount	Period of Performance	Purpose and Scope
Basic Agreement	3/13/95	\$200,000	3/13/95 - 3/12/96	<p><u>Purpose</u> "AFL-CIO Human Resources Development Institute (HRDI), will assume primary responsibility for identifying, defining, developing, and delivering effective training and technical assistance in financial management to the AmeriCorps*USA structure and grantees. HRDI will provide a wide range of services designed to meet project and CNCS needs in accordance with proposal submitted September 22, 1994,...."</p> <p><u>Scope</u> "The awardee will participate in national, regional and state conferences, workshops, and seminars in the delivery of financial management services; provide training, technical advice, and easy-to-use reference materials tailored to the needs of recipients of AmeriCorps*USA funds and develop an instructional manual. The awardee will assist the Corporation in the development of administrative and financial policies and procedures regarding AmeriCorps*USA programs. The awardee shall also train state commission staff on performing Organizational Vulnerability Assessment.</p>
Amend. 1	6/19/95	N/C	- 3/12/96	Change in reporting requirement.
Amend. 2	1/25/96	N/C	- 9/30/96	No cost time extension.

AFL/CIO - Human Resources Development Institute
CA 95-24

	Date	Amount	Period of Performance	Purpose and Scope
Amend. 3	3/20/96	\$ 36,511	-9/30/96	Adds additional funds to allow for continuation of on-going activities.
Amend. 4	7/1/96	163,489	- 3/31/97	Extend period of performance for second year, change in reporting requirement and approves budget for year one.
Total Cost		\$400,000		
Drawdown as of 8/12/97		\$398,957		

NOTE

Please refer to Scope and Methodology (Attachment 1) for an explanation of why the review was conducted in three phases.

First Phase

1. Solicitation Selection

Review of the Official and Program files failed to disclose sufficient documentation to conduct an adequate review and render an informed opinion as to the adequacy of the solicitation and selection process used in awarding this agreement. The files did disclose "Individual Review Forms" relating to proposal or concept paper review. The files also disclosed a notation on the Grantee's Proposal for Financial Management Assistance stating "No competitors for this type of proposal."

2. Oversight

Review of the files failed to disclose substantial oversight of the provider by the Program Official (i.e., trip reports, site visits, correspondence, technical direction and the like). Federal law (31 USC 6305) states with respect to a Cooperative Agreement that "substantial involvement is expected between the executive agency and the State, local government, or other recipient when carrying out the activity contemplated in the agreement."

3. Cost Extensions

Amendment No. 3 - \$36,511

AFL/CIO - Human Resources Development Institute
CA 95-24

3. Cost Extensions - continued

Amendment No. 4 - \$163,489

Review of the files disclosed that discussion re: Amendment No. 3 originated from a memo dated 28 February 1996 from the Director, Office of Grant Management Services to the Program Official. The memo states, in part, that an official of HRDI "called today to say that they need \$38,700 for the next two months. They currently have about \$4,000 that will get them through the week. I will complete the 'fund cert' when I receive a budget for that amount from [HRDI]." The "fund cert." with an attached budget in amount of \$36,511 was furnished the Grants Office in early March 1996. Annotation on the "funds cert." reads "Please add \$36,511 (budget attached) for approximate period of 2 months. Budget Attached." Amendment No. 3 was issued in the amount requested. The files failed to disclose documentation of this transaction by the Grants Officer.

The files disclosed that subsequent to issuance of Amendment No. 3 the Grantee submitted a budget of \$200,000 for the period 13 March 1996 through 12 March 1997. The files disclosed extensive questioning of the Program Official and the grantee by memo and E-mail originating with the Grants Specialist regarding elements of cost and whether approvals (verbal) had been made by the Program Official for certain expenditures.

The above mentioned questioning by the Grants Specialist culminated in a revised budget breakdown that was in the amount of the original budget (i.e., \$200,000). Amendment No. 4 was issued containing funding of \$163,489 which apparently excludes \$36,511 funded in Amendment No. 3 (\$36,511 plus \$163,489 = \$200,000). The files failed to disclose documentation by the Grants Officer of the considerations involved regarding this transaction.

4. Other Matters

A. Verbal Authorizations to Change Budget

The files disclosed that in December 1995 AFL/CIO Human Resources Development Institute co-sponsored with the U.S. Department of Labor a conference in Orlando, Florida. The conference was entitled "American Workforce in Transition." The conference also included a series of workshops to provide financial management training for AmeriCorps programs. The Grants Specialist questioned several items during her review of AFL/CIO-HRDI February Management Budget Report. The Grants Specialist questioned the Program Official stating that conferences, among other items, were not included in the budget and that "I need to know if the addition of these costs were approved and if so, by whom."

AFL/CIO - Human Resources Development Institute
CA 95-24

4. A. Verbal Authorizations to Change Budget - continued

The Program Official responded by memo of 17 May 1996 stating that the Director, Office of Grant Management Services "at least verbally, approved the cost of AmeriCorps staff participation in the Florida training in December."

Review of the files also disclosed a memo dated 11 December 1995 from the Senior Grants Officer to the Executive Director, HRDI stating that:

"This memo confirms the [Director, Office of Grants Management Services'] verbal approval for HRDI to purchase a MAC computer and printer with an approximate value of \$2,600 under subject cooperative agreement. This approval, however, does not increase the estimated cost of the agreement as requested in HRDI's letter dated August 24, 1995."

Material Submitted 2/18/97 Subsequent To Review of Official and Program Files (Second Phase)

1. Federal Register/Notice of Funds Availability
2. Consensus Review Form
3. Memorandum (unsigned) Recommending Selection

5. Assessment of Documentation through Second Phase

The Official file and subsequently submitted documents are inadequate to support the solicitation process since they do not include a copy of the Executive Director's approval of the NOFA. Documents related to the selection process are inadequate since there are no documents related to other proposals or rating or ranking of proposals. The Official file is further deficient in that it contains no documents explaining the extent of review of the amounts proposed (in the original and amended budgets) by the Grants Officer or other documents as to how the Grants Officer satisfied himself that the amounts budgeted were reasonable. Neither the Official nor Program files evidence any substantial involvement by the Corporation representatives in the program. The practice of verbally approving costs not included in the budget without subsequently documenting the approval is inadequate.

6. Material Submitted 7/17/97 (Third Phase)

The Notice

- Notice of Availability of Funds: *Training and Technical Assistance*, Corporation for National Service, March 1994
- Federal Register, Part IX, *Corporation for National and Community Service, Availability of Funds for Training and Technical Assistance; Notice, March 28, 1994*
- Memorandum, July 15, 1997, Former General Counsel *To Whom It May Concern*

AFL/CIO - Human Resources Development Institute
CA 95-24

Applicant Concept Paper

- No. 0935 Human Resource Development Institute

Concept Paper Review Form

- This was the only concept paper submitted under the Invitation for Original Concept Papers or Alternative T/TA Activities.
- Concept paper score sheets from three outside reviewers

Resulting Proposal

- No. 1827, Human Resources Development Institute

Consensus Review Sheet for Proposal

- No. 1827, Human Resources Development Institute

The Decision

- Selection Recommendation Memo (Director, T/TA to the Executive Director of February 13, 1995.)

Request from T/TA for execution of the Cooperative Agreement

- Fund Certification requesting award

7. Assessment of Documents Submitted (Third Phase)

A. Solicitation

Documentation furnished includes the Federal Register/NOFA of 28 March 1994. The Federal Register/NOFA includes a provision requesting proposals in the area of Maintaining A Strong Organization which included (a) Fundraising, (b) Program Management, (c) Evaluation and Organizational Development, (d) Fiscal Management and (e) Grievance Procedures. The NOFA stated that the Corporation expected to make up to five grants or Cooperative Agreements in this area.

The Federal Register/NOFA of 28 March 1994 also contains a "catch all" provision entitled "Invitation for original concept papers proposing additional or alternative T/TA activities."

The former General Counsel, by memo of 17 July 1997, states that approval of the NOFA was obtained by him before signing the Federal Register.

AFL/CIO - Human Resources Development Institute
CA 95-24

B. Source Selection

- (1) The Corporation documentation states that a concept paper was submitted by AFL/CIO HRDI under the "catch all" provision cited above. This is summarized by the Corporation as follows:

"A concept paper from HRDI was submitted under the invitational category. It included outreach activities and financial management. After an initial review, they were asked to submit a full proposal on just the financial management, as it was determined that outreach would not be funded with training and technical assistance funds. No other proposals were received in financial management. The review panel consisted of three external reviewers. Attached is a T/TA Review Form which summarizes the reviewers' comments for HRDI."

- (2) The AFL/CIO (HRDI) proposal submitted 22 September 1994 states "This T/TA proposal is submitted in accordance with the Grant Officers letter dated 22 August 1994, inviting a full proposal in the area of Financial Management Assistance. A Corporation notation on the proposal reads "no competitors for this type of proposal." This proposal was not in response to the "invitational" category of the NOFA, but rather to that part of the NOFA soliciting proposals for Financial Management Training and Technical Assistance.
- (3) Memorandum of 13 February 1995 recommending selection of AFL/CIO (HRDI) is signed by originator but does not indicate approval by selection authority. However, the former Executive Director, by memo of 17 July 1997 states she approved funding of this agreement.

MOSAICA: The Center for Non-profit Development and Pluralism
CA 95-15

	Date	Amount	Period of Performance	Purpose and Scope
Basic Agreement	4/1/95	\$149,941	4/1/95 - 3/31/96	<p><u>Purpose</u></p> <p>"MOSAICA: The Center for Non-profit Development and Pluralism, will assume primary responsibility for assessing the pre-service training needs and resources of CNCS grantees and developing a <i>self-help guide to Effective Pre-Service Training</i>. MOSAICA will provide a wide range of services designed to meet project and CNCS needs in accordance with concept paper dated September 12, 1994, as modified by submissions dated January 17, 1996, February 1, 1995 and February 9, 1995...."</p> <p><u>Scope</u></p> <p>"The awardee will assess the pre-service training needs of CNCS grantees; and develop, test, refine and brief AmeriCorps staff on the use of an extensive looseleaf, easy-to-update <i>Self-Help Guide to Effective Pre-Service Training</i>."</p>
Amend. 1	6/19/95	N/C	- 3/31/96	Change in reporting requirements.
Amend. 2	9/15/95	20,025	- 3/31/96	Adds task to scope of work and adds responsibilities to CNCS activities.
Amend. 3	1/25/96	N/C	- 5/30/96	No cost time extension, approval of budget.
Amend. 4	5/6/96	79,185	- 7/31/96	Continue on-going activities and extend period of performance.

MOSAICA: The Center for Non-profit Development and Pluralism
CA 95-15

	Date	Amount	Period of Performance	Purpose and Scope
Amend. 5	7/24/96	\$325,000	- 9/30/97	Expand scope of work; extend period of performance for a second year.
Amend. 6	10/10/96	N/C	- 9/30/97	Change in reporting requirements.
Total Cost		\$724,092		
Drawdown as of 8/12/97		\$358,792		

NOTE

Please refer to Scope and Methodology (Attachment 1) for an explanation of why the review was conducted in three phases.

First Phase

1. Solicitation, Selection

Review of the Official and Program files failed to disclose sufficient documentation to conduct an adequate review and render an informed opinion as to the adequacy of the solicitation and selection process used in awarding this agreement. The files do contain, however, a letter dated 10 January 1995 from the Director, Training and Technical Assistance, to MOSAICA, Inc. informing them that final evaluation of MOSAICA's concept paper had been completed and that MOSAICA had been selected pending negotiation. The files also disclose consensus forms and an unsigned memo dated 6 November 1994 from the Director, Training and Technical Assistance to Managing Director, the Corporation recommending MOSAICA, among others, for funding.

2. Cost Extensions

A. Amendment No. 2 - \$20,025

The files disclose that MOSAICA's budget of \$20,025 for reproduction of mailings of a training manual was forwarded to the Grants Specialist by memo from the Program Official with a request that the Cooperative Agreement be increased by such amount. The files failed to disclose documentation of the transaction by the Grants Officer.

MOSAICA: The Center for Non-profit Development and Pluralism
CA 95-15

B. Amendment No. 4 - \$79,185

MOSAICA, by letter of 10 April and 16 April 1995, requested modification of the Cooperative Agreement as follows:

\$ 2,156 - 200 Disks
\$ 79,185 - Reproduction and mailing

The Program Official by memo of 17 April 1996 requested that two amendments be issued to reflect the above. A notation appears on the above cited memo reading "The cost for the diskettes are included in this budget; therefore, the additional \$2,156 is not needed." The files failed to disclose documentation of the transaction by the Grants Officer.

C. Amendment No. 5 - \$325,000

The Program Official by memo of 8 July 1996 to the Grants Officer, transmitted a budget of \$325,000 with request for amendment. The file failed to disclose documentation of the transaction by the Grants Office.

3. Other Matters

The files fail to disclose documentation of the considerations involved in issuance of the basic agreement.

Material Submitted 2/18/97 Subsequent To Review of Official and Program Files (Second Phase)

1. Federal Register/Notice of Funds Availability
2. List of Organizations Submitting Concept Papers
3. Individual Review Forms (MOSAICA)
4. Extract - Recommendation for Moving to Negotiations

MOSAICA: The Center for Non-profit Development and Pluralism
CA 95-15

4. Assessment of Documentation through Second Phase

The Official file and subsequently submitted documents are inadequate to support the solicitation process since they do not include a copy of the Executive Director's approval of the NOFA. Documents related to the selection process are inadequate since there is no evidence of review of other proposals or their ranking. The Official file is further deficient in that it contains no documents explaining the extent of review of the amounts proposed (in the original and amended budgets) by the Grants Officer or other documents as to how the Grants Officer satisfied himself that the amounts budgeted were reasonable. Neither the Official nor Program files evidence any substantial involvement by the Corporation representatives in the program.

5. Material Submitted 7/17/97 (Third Phase)

The Notice

- Notice of Availability of Funds: *Training and Technical Assistance*, Corporation for National Service, March 1994
- Federal Register, Part IX, *Corporation for National and Community Service, Availability of Funds for Training and Technical Assistance; Notice, March 28, 1994*
- Memorandum, July 15, 1997, Former General Counsel *To Whom It May Concern*

Applicant Concept Paper

- Letter of transmittal, dated 12 September 1994, from the President, MOSAICA, to CNCS, with attached Concept Paper, (20 pps.)

Review

- *Individual Review Form*, by reviewer for MOSAICA, total score = 93
- *Individual Review Form*, by reviewer for MOSAICA, total score = 93
- *Individual Review Form*, by reviewer for MOSAICA, total score = 62

Selection

- Memorandum, November 6, 1994: *T/TA proposals in the area of Strengthening the Basics*, Director, T/TA to the Executive Director. The memo recommends to the Corporation Executive Director funding MOSAICA in the Category of "Strengthening the Basics."

MOSAICA: The Center for Non-profit Development and Pluralism
CA 95-15

Additional Information

- Letter of 10 January 1995, to the President, MOSAICA, from the Director, T/TA, requesting additional information in three (3) areas.

Request from T/TA for execution of the Cooperative Agreement

- Memo of 17 February 1995, to the Grants Specialist from the Program Official.

6. Assessment of Documents Submitted (Third Phase)

A. Solicitation

Documentation furnished includes Federal Register/NOFA of 28 March 1994. The former General Counsel, states in his memo of 15 July 1997 that it was his consistent practice to obtain final approval of the Executive Director before he signed the Federal Register of 28 March 1994. The Federal Register/NOFA includes a "catch all" provision, "Invitation for Original Concept Papers Proposing Additional or Alternative T/TA Activities."

B. Selection

- (1) The Corporation, in a summary furnished 17 July 1997, states "The development of pre-service training materials, proposed by MOSAICA, was not proposed by any other applicant."
- (2) The memo of 26 November 1994 recommending selection is unsigned by originator and does not indicate approval by the selection authority. Further, it is not included in the former Executive Director's memo of 17 July 1997 as one of the Cooperative Agreements approved for funding.
- (3) The Corporation did not seek additional proposals for the types of services identified by responses to "Additional or Alternative Training and Technical Assistance Activities." Hence, this award was made without competition.

Pennsylvania Institute for Environmental & Community Service Learning
CA 95-13

	Date	Amount	Period of Performance	Purpose and Scope
Basic Agreement	3/1/95	\$116,986	3/1/95 - 2/29/96	<p><u>Purpose</u> "The Pennsylvania Institute for Environmental and Community Service Learning, will assume primary responsibility to conduct 5 subject-oriented and 4 general skill workshops for Learn and Serve participants from the Northeast Region, in accordance with the proposal dated November 15, 1994...."</p> <p><u>Scope</u> "The awardee shall provide rapid, responsive technical assistance to individual Learn and Serve America programs, by conducting workshops and conferences in the areas of service learning including development of a National Service Learning Trainer's Newsletter."</p>
Amend. 1	2/20/96	N/C	2/20/96 - 6/30/96	Adds cost sharing clause and extends period of performance for completion of the project guide.
Total Cost		\$116,986		
Drawdown as of 8/12/97		\$116,985		

NOTE

Please refer to Scope and Methodology (Attachment 1) for an explanation of why the review was conducted in three phases.

First Phase

1. Solicitation, Selection

The file contained insufficient documentation to conduct an adequate review or render an informed opinion as to the adequacy of the solicitation and selection process used in awarding this agreement. Review of the files failed to disclose NOFA, Federal Register source selection documentation, etc. The files do reveal existence of consensus forms relating to review of the proposal.

Pennsylvania Institute for Environmental & Community Service Learning
CA 95-13

2. Oversight

Review of the files failed to disclose substantial involvement/oversight of the provider by the Program Official (i.e., by trip reports, site visits, correspondence, technical direction and the like). Federal law (31 USC 6305) states with respect to a Cooperative Agreement that "substantial involvement is expected between the executive agency and the State, local government, or other recipient when carrying out the activity contemplated in the agreement."

3. Other Matters

The files failed to disclose documentation by the Grants Officer of considerations involved in issuance of the agreement.

Material Submitted 2/18/97 Subsequent To Review of Official and Program Files (Second Phase)

1. Federal Register/Notice of Funds Availability
2. Memo regarding Concept Papers
3. Memo with recommendation for requesting proposals
4. Memo regarding Proposal Review
5. Memo regarding Proposals
6. Notes of Proposal Meeting
7. Individual Review Forms/Staff Review Sheets

4. Assessment of Documents through Second Phase

The Official file and subsequently submitted documents are inadequate to support the solicitation process since they do not include a copy of the Executive Director's approval of the NOFA. The selection documentation is inadequate because the files do not contain specific information as to why individual proposals were rejected or how the remaining proposals were rated or ranked. The Official file is further deficient in that it contains no documents explaining the extent of review by the Grants Officer of the amount proposed or other documents as to how the Grants Officer satisfied himself that the amount proposed was reasonable. Neither the Official nor Program files evidence any substantial involvement by the Corporation representatives in the program.

Pennsylvania Institute for Environmental & Community Service Learning
CA 95-13

5. Material Submitted 7/17/97 (Third Phase)

The Notice

- Notice of Availability of Funds: *Training and Technical Assistance*, Corporation for National Service, March 1994
- Federal Register, Part IX, *Corporation for National and Community Service, Availability of Funds for Training and Technical Assistance; Notice, March 28, 1994*
- Memorandum, July 15, 1997, Former General Counsel *To Whom It May Concern*

Applicant Concept Papers

- Thirty-seven concept papers were received; 15 in the area of resource publications and 22 in the area of training.
- Memorandum of September 23, 1994, from a Program Official to the Director, National and Community Service Programs outlining the concept paper review process.

Concept Paper Review

- Individual Review form for Pennsylvania Institute from outside reviewers Fisher and Beaird.
- Summary Memo for Learn and Serve K-12 Concept Papers. This memo provides a summary for each concept paper and the outside reviewers' recommendations.
- Memorandum of September 20, 1994, from a Program Official summarizing program staff review and recommendations.
- Memorandum of September 27, 1994, from the Director, T/TA to the Director, National and Community Service Programs concurring with staff recommendations regarding asking selected offerors to develop proposals.

Applicant Proposals

- Constitutional Rights Foundation
- National Center for Service Learning in Early Adolescence
- Pennsylvania Institute for Environmental and Community Service Learning Workshops
- National Service-Learning Cooperative/Clearinghouse
- National Youth Leadership Council
- National Society of Experiential Education
- Appalachia Educational Laboratory
- National Association of Partners in Education
- Social Science Education Consortium
- Points of Light Foundation
- Center for Law and Education
- National Association for Partners in Education

Pennsylvania Institute for Environmental & Community Service Learning
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Applicant Proposals - continued

- Maryland Student Service Alliance
- National Dropout Prevention Center
- Quest International
- Pennsylvania Institute for Environmental and Community Service Learning
- Boston Area Educators for Social Responsibility
- RMC Research Corporation
- Northwest Regional Educational Laboratory

Review

- Memorandum of November 23, 1994, from a Program Official assigning staff reviewers.
- Memorandum of December 5, 1994, from a Program Official transmitting matrix outlining the technical assistance needs to be addressed by offerors' proposals.
- Staff notes for review meeting of December 12, 1994

Decision

- Memorandum of January 11, 1995, from the Director, T/TA to the Executive Director, forwarding recommendations for funding.

6. Assessment of Documents Submitted (Third Phase)

A. Solicitation

Documentation includes Federal Register/NOFA of 28 March 1994, and a memo from the former General Counsel dated 15 July 1997 stating that it was his "uniform and consistent practice before signing a Federal Register ... to obtain the final approval of the Corporation's Executive Director ... and that he followed this practice in connection with the Notice of Funds Availability published in the Federal Register on March 28, 1994."

B. Selection

- (1) The Corporation states in a summary furnished 17 July 1997 that concept papers were submitted in response to the provision of the Federal Register/ NOFA entitled "Original Concept Papers Proposing Additional or Alternative T/TA Activities."
- (2) Document list shows 37 concept papers received by the Corporation. Review of the documents revealed 35 concept papers.
- (3) Document list indicates 19 proposals received. Review of the documents revealed 17 proposals.

Pennsylvania Institute for Environmental & Community Service Learning
CA 95-13

- (4) No ranking of proposals indicated.
- (5) Memo of 11 January 1995 recommending selection is unsigned by originator and does not indicate approval by the selection authority. This Cooperative Agreement is not on the list included in the former Executive Director's memo of 17 July 1997 wherein she states she approved funding for certain agreements.

Constitutional Rights Foundation
CA 95-21

	Date	Amount	Period of Performance	Purpose and Scope
Basic Agreement	8/22/95	\$57,729	8/22/95 - 8/21/96	<p><u>Purpose</u></p> <p>“Constitutional Rights Foundation (CRF), will assume primary responsibility for developing and field testing at two local AmeriCorps sites a set of curriculum materials and an accompanying training model to teach AmeriCorps member the essential skills of citizenship and to broaden members’ understanding of and engagement in the civic life of their communities; developing a guide for AmeriCorps program directors and a handbook for AmeriCorps members. CRF will provide a wide range of services designed to meet project and CNCS needs in accordance with proposal dated September 21, 1994....”</p> <p><u>Scope</u></p> <p>“The awardee will create and field-test a flexible training model; develop and field-test curriculum materials to support the model; design and field-test training activities suitable for delivery by front-line supervisors in AmeriCorps programs; publicize completion of revised materials and facilitate distribution to AmeriCorps sites around the nation; develop a guide for AmeriCorps program directors and develop AmeriCorps Members Handbook.”</p>
Total Cost		\$57,729		
Drawdown as of 8/12/97		\$21,024		

Constitutional Rights Foundation
CA 95-21

NOTE

Please refer to Scope and Methodology (Attachment 1) for an explanation of why the review was conducted in three phases.

First Phase

1. Solicitation, Selection

Review of the Official and Program files disclosed insufficient documentation to conduct an adequate review and render an informed opinion as to the adequacy of the solicitation and selection process used in awarding this agreement. The files do contain, however, consensus review forms and a memo of 28 February 1995 from the Program Official to the Grants Specialist stating in part "this proposal was submitted in the Service and Citizenship Category of last years T/TA NOFA."

2. Oversight

Review of the files failed to disclose substantial oversight of the provider by the Program Official (i.e., by trip reports, site visits, correspondence involving technical direction and the like). Federal law (31 USC 6305) states with respect to a Cooperative Agreement that "substantial involvement is expected between the executive agency and the State, local government, or other recipient when carrying out the activity contemplated in the agreement."

3. Other Matters

The files disclose a fairly high level of activity by Program Officials and the Grants Office during the Pre-award phase of the agreement. This involvement stemmed in part from a proposal submitted by the offeror which contained cost sharing of Indirect/Administrative Costs. An amendment, signed by the Grants Officer and containing cost sharing provisions was forwarded to the Grantee for signature. The files indicate grantee revisions to the proposed agreement which included deletion of cost sharing. The Grants Officer initially resisted the deletion but the agreement as issued does not contain cost sharing provisions. The files fail to disclose documentation by the Grants Officer relating to award of the agreement.

Material Submitted 2/18/97 Subsequent To Review of Official and Program Files (Second Phase)

1. Federal Register/Notice of Funds Availability
2. List of Organization Submitting Concept Papers
3. Memo with Assessments and Recommendations regarding Concept Papers
4. Individual Review Forms (CRF)
5. Memorandum recommending selection

Constitutional Rights Foundation
CA 95-21

4. Assessment of Documents through Second Phase

The Official file and subsequently submitted documents are inadequate to support the solicitation process since they do not include a copy of the Executive Director's approval of the NOFA. While the selection documentation contained a ranking of proposals, there were no individual review forms for the unsuccessful proposals. The Official file is further deficient in that it contains no documents explaining the extent of review by the Grants Officer of the amount proposed or other documents as to how the Grants Officer satisfied himself that the amount proposed was reasonable. Neither the Official nor Program files evidence any substantial involvement by the Corporation representatives in the program.

5. Material Submitted 7/17/97 (Third Phase)

The Notice

- Notice of Availability of Funds: *Training and Technical Assistance*, Corporation for National Service, March 1994
- Federal Register, Part IX, *Corporation for National and Community Service, Availability of Funds for Training and Technical Assistance; Notice, March 28, 1994*
- Memorandum, July 15, 1997, Former General Counsel *To Whom It May Concern*

Applicant Concept Papers

- No. 0300, Marquette University
- No. 0301, Mayor's Commission on Literacy
- No. 0302, Citizens Information Service
- No. 0303, GOAL/QPC
- No. 0304, Education Commissions of the States/Campus Compact
- No. 0305, Project Mirrors - University of Colorado Health Sciences Center
- No. 0306, Constitutional Rights Foundation
- No. 0307, Center for Democracy and Citizenship - Humphrey Institute
- No. 0308, University of Maryland at College Park
- No. 0309, People for the American Way

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Concept Paper Individual Review Forms

- No. 0300, Marquette University
- No. 0301, Mayor's Commission on Literacy
- No. 0302, Citizens Information Service
- No. 0303, GOAL/QPC
- No. 0304, Education Commissions of the States/Campus Compact
- No. 0305, Project Mirrors - University of Colorado Health Sciences Center
- No. 0306, Constitutional Rights Foundation
- No. 0307, Center for Democracy and Citizenship - Humphrey Institute
- No. 0308, University of Maryland at College Park
- No. 0309, People for the American Way

Concept Paper Scores

- Concept Paper Ranking Sheet

Concept Paper Decision Memorandum

- Memorandum, June 27, 1994, from the Program Official to the Director, T/TA, *Re: Service and Citizenship Concept Papers*

The Proposals

- No. 1816, Center for Democracy and Citizenship - Humphrey Institute
- No. 1824, Education Commission of the States/Campus Compact
- No. 1834, Citizens Information Service
- No. 1842, Marquette University
- No. 1848, Constitutional Rights Foundation

Proposal Consensus Review Forms

- No. 1816, Center for Democracy and Citizenship - Humphrey Institute
- No. 1824, Education Commission of the States/Campus Compact
- No. 1834, Citizens Information Service
- No. 1842, Marquette University
- No. 1848, Constitutional Rights Foundation

Proposal Scores

- Proposal Ranking Sheet

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The Decision

- Memorandum, November 1, 1994, from the Director, T/TA to the Director, National and Community Service Programs and the Executive Director, *T/TA Recommendations for Providers in the Area of Citizenship*

The Award

- Memorandum, February 28, 1995, (from the Director, T/TA to the Grants Specialist: Cooperative Agreement with the Constitutional Rights Foundation

6. Assessment of Documents Submitted (Third Phase)

A. Solicitation

Documentation includes Federal Register/NOFA of 28 March 1994, and a memo from the former General Counsel dated 15 July 1997 stating that it was his "uniform and consistent practice before signing a Federal Register ... to obtain the final approval of the Corporation's Executive Director ... and that he followed this practice in connection with the Notice of Funds Availability published in the Federal Register on March 28, 1994." The Corporation documentation indicates that the "Service and Citizenship" category of the NOFA applies here.

B. Source Selection

- (1) Ten concept papers were received by the Corporation. As a result of concept paper review, five offerors were asked to submit proposals.
- (2) Ranking of Concept Papers and Proposals is as follows:

Constitutional Rights Foundation
CA 95-21

Constitutional Rights Foundation

Concept Paper

Service and Citizenship

	Organization	Score 1	Score 2	Avg. Score
0306	Constitutional Rights Foundation	89	91	90
0307	Center for Democracy and Citizenship - Humphrey Inst. (University of MN)	78	91	84.5
0302	Citizens Information Service	77	91	84
0300	Marquette University	71	89	80
0304	Edu. Commission of the States/Campus Compact (Brown University)	79	79	79
0305	Project Mirrors - University of Colorado Health Sciences Center	84	71	77.5
0301	Mayor's Commission on Literacy	69	81	75
0308	University of Maryland College Park	51	76	63.5
0303	GOAL/QPC	45	60	52.5
0309	People for the American Way	11	73	42

Proposal Service and Citizenship

	Organization	Panel Score
1824	Education Commission of the States/Campus Compact (Brown University)	88
1816	Center for Democracy and Citizenship-Humphrey Institute (University of MN)	84
1848	Constitutional Rights Foundation	81
1842	Marquette University - Office of Research and Sponsored Programs	55.5
1834	Citizens Information Service	49

Constitutional Rights Foundation
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- (3) The memo recommending selection is unsigned by originator and does not indicate approval by the selection authority. This agreement is not listed in the former Executive Director's memo of 17 July 1997 wherein she states approval was given for four Cooperative Agreements.

CFR was ranked third out of five proposals received. The Corporation made awards to both the second and third highest ranked applicants, but rejected the highest ranked proposal. When we asked for an explanation, the Corporation stated that the highest ranked application was limited to developing materials for only one type of service program rather than "many different participants and program types," as requested by the NOFA. However, the Corporation's recommendation to select CRF's proposal noted that it proposed to provide materials for only two AmeriCorps programs (similar to the highest ranked proposal). The Corporation's memo justifying the selection of this proposal stated in part that since the applicant "has been a partner in national service from the start, and has provided materials for schools in many different parts of the nation, we are willing to recommend moving ahead with this proposal." Thus, the Corporation cited inconsistent justifications for making an award to CRF, and appears to have made its decision to award the agreement based on factors other than the relative merits of the proposal.

SCOPE AND METHODOLOGY

Our objective was to review the procedures the Corporation used to award training and technical assistance agreements to provide information on:

- the Corporation's authority for awarding training and technical assistance agreements;
- the purpose of the training and technical assistance agreements;
- the Corporation's procedures for selecting training and technical assistance providers;
- the Corporation's oversight of the training and technical assistance providers; and
- the need for granting cost extensions and the procedures followed in granting the extensions.

Our review was conducted in three phases. In the initial phase, we reviewed Official and Program files and interviewed the Corporation grants management and program personnel. At the end of this phase, we reached the conclusion that the Official and Program files were materially lacking in documentation related to (1) the solicitation and award process, (2) oversight of training and technical assistance providers, and (3) documentation showing how the Grants Officer was satisfied that the amounts budgeted for the original awards and cost extensions were reasonable. Accordingly, we provided the Corporation's staff with an opportunity to search through other records for such documentation.

In the second phase of our review, we assessed documentation produced as a result of this search. With few exceptions, however, the additional documentation did not add significantly to the data contained in the Official and Program files.

We provided a draft of our report to the Corporation on June 11, 1997, for comment and met with the Corporation on June 19, 1997, to discuss our findings. At that time, the Corporation stated that it had additional information related to the solicitation and selection of the agreements that was pertinent to assessing the awards process.

On July 17, 1997, the Corporation provided additional documentation related to the solicitation and selection of 12 of the agreements. No additional documentation was furnished for the agreement awarded to Aguirre International since we had found, during the first phase, that documentation related to this agreement was adequate. The Corporation representatives advised that no additional documentation was furnished for agreement CA 95-20 awarded to Youth Service America because this agreement was firm fixed price.

The additional documentation furnished in this phase cannot be characterized as complete. Further, some of this documentation was in affidavit form rather than actual contemporaneously prepared records. This documentation, however, provided reasonably comprehensive details related to the solicitation and selection processes related to the agreements.

SCOPE AND METHODOLOGY

Nonetheless, the scope of our review was limited because the Official files and subsequently submitted documents did not allow us to determine with a reasonable degree of certainty the procedures followed for selecting and overseeing training and technical assistance providers or how original or amended budgets are reviewed for reasonableness. Notwithstanding this scope limitation, we performed the following procedures.

- a. To determine the purpose of the training and technical assistance agreements, we examined the individual agreements and related amendments and abstracted the "Purpose" and "Scope" as stated in the agreements.
- b. To establish how potential sources were solicited and the extent to which it was documented, we reviewed Official files for documents related to the solicitation and interviewed the Corporation grants management personnel to obtain an understanding of the process.
- c. To establish how source selection was made and the extent to which such was documented, we reviewed Official files for documents related to source selection and interviewed the Corporation grants management personnel to obtain an understanding of the process.
- d. To determine the degree of oversight of the training and technical assistance providers by Corporation personnel and the extent to which that oversight was documented, we reviewed Official and Program files and interviewed the Corporation program personnel to obtain an understanding of the process.
- e. To assess the propriety of granting cost extensions, the procedures followed in granting such extensions and the extent to which such was documented, we reviewed Official files for documents related to cost extensions.
- f. We obtained, from the Corporation's General Counsel, an opinion as to the Corporation's authority for awarding cooperative agreements for training and technical assistance.

Because the procedures we performed do not constitute an audit conducted in accordance with *Government Auditing Standards*, we do not express an opinion on the practices used by the Corporation in soliciting, awarding and overseeing the agreements enumerated in Exhibit A. In connection with the procedures outlined above, no matters came to our attention that caused us to believe that the practices used, except as outlined in the body of our report, were inappropriate. Had we applied additional procedures or had we conducted an audit in accordance with *Government Auditing Standards*, other matters might have come to our attention that would have been reported to you.

CONGRESSIONAL REQUEST LETTER

MAJORITY MEMBERS:
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Chairman
BILL BARNETT, NEBRASKA
CASS BALLINGER, NORTH CAROLINA
RANDY "DUKE" CUNNINGHAM, CALIFORNIA
HOWARD P. "BUCK" MCELROY, CALIFORNIA
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JACK REED, RHODE ISLAND
TIM ROEMER, INDIANA
ROBERT C. "BOBBY" SCOTT, VIRGINIA
GENE GREEN, TEXAS
MEL REYNOLDS, ALABAMA

COMMITTEE ON ECONOMIC
AND EDUCATIONAL OPPORTUNITIES
SUBCOMMITTEE ON OVERSIGHT
AND INVESTIGATIONS
U.S. HOUSE OF REPRESENTATIVES
2181 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6100

MAJORITY — (201) 225-4527
MINORITY — (202) 225-3725

July 17, 1996

VIA FACSIMILE 202/565-2795

Ms. Luise Jordan
Inspector General
Corporation for National Service
1201 New York Ave., NW
Washington, D.C. 20525

Dear Ms. Jordan:

It has been brought to this Subcommittee's attention that the Corporation for National Service (CNS) has awarded a number of service contracts to several organizations, at a cost of almost \$12.8 million to the American taxpayer. The following list summarizes the "training and technical assistance" contract amounts as provided to this Committee by the Corporation.

Service Contracts with CNS

HRDI AFL-CIO	400,000.00
Aguirre International	1,632,650.00
American Medical Students Assoc.	1,586,971.00
Appalachia Ed. Lab., Inc.	27,981.00
Catholic Network of Volunteer Services	154,396.00
Clemson University	100,000.00
Constitutional Rights Foundation	57,729.00
ETR Associates	524,371.00
Indiana Univ. - Center of Philanthropy	706,045.00
Mosaica	149,941.00
National Assoc. of Community Mediation	542,722.00
National Assoc. of Partners in Ed.	71,255.00
National Assoc. of Service and Conservation	760,560.00
National Crime Prevention	793,871.00
National Crime Prevention Council	459,330.00
National Helpers Network	20,000.00

CONGRESSIONAL REQUEST LETTER

National Multicultural Institute	400,000.00
Nat. Society for Experiential Ed.	27,000.00
National Youth Leadership Council	15,169.00
Non Profit Risk Management	179,000.00
Northwest Regional Education Lab.	329,988.00
Pennsylvania Inst. for Environ. & Service	116,985.55
RMC Research	120,670.00
Social Science Education Consortium	159,158.00
Southern Regional Council	520,685.17
The University of Florida	186,795.00
United Cerabral Palsy Assoc.	291,245.00
United Negro College Fund	64,832.00
United Way of America	1,657,229.00
University of Minnesota	118,263.00
Visiting Nurse Assoc. of America	187,000.00
Youth Service America	400,420.00
Youth Service America	25,000.00
TOTAL	12,787,261.72

Considering the amount of the contracts in question, the size of several of the "cost extensions" being granted, and based on several informal staff interviews with contractors, I am interested to know if your office has, or is considering, reviewing these contracts. With costs in the AmeriCorps program averaging \$27,000 per member, it is imperative that such contracts be carefully monitored and scrutinized.

Of even greater concern are the contracts to organizations that could arguably be considered "political." Here, I am particularly concerned about funding for HRDI, a subsidiary of the AFL-CIO, and Youth Service America, a group whose cofounder, Mr. Slobig, was quoted as saying, "If the Corporation didn't expect some kind of advocacy...they'd be totally and completely naive." Mr. Slobig went on to say, "I think they've (CNS) left enough room to drive a truck through and people ought to be concentrating on driving the truck." These and others on the list raise serious concerns.

With this in mind, I am requesting that the OIG review the procedures used by the Corporation in granting these contracts, the guidelines for granting cost extensions and a review of the activities and work products provided by these contractors.

CONGRESSIONAL REQUEST LETTER

Thank you in advance for your assistance. Should you have any questions regarding this request, please feel free to contact Derrick Max at 202/225-7101.

Sincerely,



PETE HOEKSTRA
Chairman
Subcommittee on Oversight
and Investigations

cc: The Honorable William Clay
The Honorable Thomas Sawyer

INSPECTOR GENERAL'S CONFIRMATION LETTER

August 16, 1996

The Honorable Peter Hoekstra
Chairman, Subcommittee on
Oversight and Investigations
Committee on Economic
and Educational Opportunities
House of Representatives
1122 Longworth HOB
Washington, DC 20515

CORPORATION
FOR NATIONAL
★ SERVICE

Dear Chairman Hoekstra,

Your July 17, 1996 letter requested that my office review the procedures CNS used to award training and technical assistance contracts, the guidelines for granting costs extensions, and the activities and work products provided by the contractors. During a July 25, 1996 meeting with you and your staff, we reached agreement on the scope of the work to be performed. The purpose of this letter is to confirm the agreements reached during that meeting.

As discussed, we will review the procedures CNS used to award training and technical assistance agreements to provide information on:

- CNS' authority for awarding training and technical assistance agreements;
- the purpose of the training and technical assistance agreements;
- CNS' procedures for selecting training and technical assistance providers;
- CNS' oversight of the training and technical assistance providers;
- the need for granting costs extensions and the procedures followed in granting the extensions; and

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INSPECTOR GENERAL'S CONFIRMATION LETTER

- CNS' authority for awarding training and technical assistance agreements, the training and technical assistance activities, and work products provided for a sample of the 33 awards listed in your July 17, letter. The sample will include all contracts exceeding \$1 million as well as those awarded to HRDI AFL-CIO, Constitutional Rights Foundation, Mosaica, National Association of Community Mediation, Pennsylvania Institution for Environmental and Service, the National Multicultural Institute and Youth Service America.

We plan to start the work during the 1st quarter of fiscal year 1997 and anticipate that it will be completed during the 2nd quarter. CNS will be provided the customary opportunity to comment on the report and any recommendations it contains prior to the release of our final report.

We will keep your staff informed of our progress. If you have any questions, please contact me at (202) 606-5000, extension 490 or Bill Anderson at (202) 606-5000, extension 395.

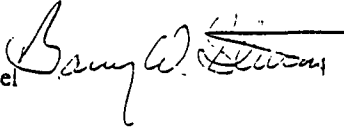
Sincerely,



Luise S. Jordan
Inspector General

THE CORPORATION'S GENERAL COUNSEL'S OPINION

To: William Anderson III
Office of the Inspector General

From: Barry W. Stevens 
Acting General Counsel

Date: December 6, 1996

Re: Statutory authority for Corporation-supported training and technical assistance, including those functions carried out by the Presidio Leadership Center.

This is in response to your request for a written memorandum addressing the statutory authority for training and technical assistance supported by the Corporation for National Service ["the Corporation"], including those functions carried out by the Corporation at the Presidio Leadership Center.

The Corporation provides a range of training and technical assistance to national service programs directly and through outside organizations pursuant to cooperative agreements. The Corporation's Presidio Leadership Center provides training and technical assistance to national service programs in two major areas: (1) leadership and (2) environment.

The Corporation has general and specific authority under the National and Community Service Act of 1990, as amended ["the Act"], to support these activities.

General authority under Subtitle G.

The Corporation's Chief Executive Officer has general power under Subtitle G of the Act to "perform such functions and take such steps consistent with the objectives and provisions of the national service laws, as the Chief Executive Officer determines to be necessary or appropriate to carry out such provisions." 42 U.S.C. § 12651d(c)(10).

Specific authority under Subtitle H.

Subtitle H of the Act provides authority for Corporation activities to "support national service", specifically authorizing the Corporation to "undertake activities to improve the quality of national service programs, including service-learning programs, and to support innovative and model programs. . . ." 42 U.S.C. § 12653(b). Subtitle H specifically provides that the Corporation:

shall provide training and technical assistance, where necessary, to individuals, programs, local labor organizations, State educational agencies, State Commissions, local educational agencies, local governments, community-based agencies, and other entities to enable them to apply for funding under one of the national service laws, to conduct high-quality programs, to evaluate such programs, and for other purposes.

THE CORPORATION'S GENERAL COUNSEL'S OPINION

2

42 U.S.C. 12653(e). Subtitle H further authorizes the Corporation to "support national and regional participant and supervisor training, including leadership training and training in specific types of service and in building the ethic of civic responsibility." 42 U.S.C. § 12653(j). The Corporation may carry out Subtitle H activities directly or through grants, contracts, and cooperative agreements with other entities. 42 U.S.C. § 12653(a).

Additional authority under Subtitle C.

The Corporation has specific authority under Subtitle C of the Act to:

conduct, directly or by grant or contract, appropriate training programs regarding national service in order to --

(1) improve the ability of [programs receiving Subtitle C assistance] to meet human, educational, environmental, or public safety needs in communities --

(A) where services are needed most; and

(B) where programs do not exist, or are too limited to meet community needs . . . ;

(2) promote leadership development in such programs;

(3) improve the instructional and programmatic quality of such programs to build an ethic of civic responsibility;

(4) develop the management and budgetary skills of program operators;

(5) provide for or improve the training provided to the participants in such programs; and

(6) encourage national service programs to adhere to risk management procedures, including the training of participants in appropriate risk management practices.

42 U.S.C. § 12575(a).

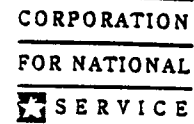
Subtitle C also provides that:

[t]o the extent appropriate and necessary, the Corporation shall make technical assistance available to States, Indian tribes, labor organizations, organizations operated by young adults, organizations serving economically disadvantaged individuals, and other entities [eligible to receive Subtitle C program grants] that desire --


(1) to develop national service programs; or

(2) to apply for assistance under [Subtitle C] or under a grant program conducted using [Subtitle C program grants].

42 U.S.C. § 12575(b).

THE CORPORATION'S RESPONSE**Memorandum**

TO: Bill Anderson
Assistant Inspector General for Audit

FROM: Bill Bentley 
Director, Evaluation and Effective Practices

DATE: October 27, 1997

SUBJECT: Response to *Review of Training and Technical Assistance Agreements*
Requested by Chairman Hoekstra (OIG Report 98-01)

Thank you for the opportunity to review and respond to the *Review of Training and Technical Assistance Agreements* prepared by Leonard G. Birnbaum and Company. We appreciate the work that went into the report and your concern for its thoroughness and accuracy.

We reflected on the issues presented in the earlier drafts of the report and moved immediately to improve practices that would strengthen our operation. As you know, we are currently conducting a competition to replace the agreements studied in the report and have valued the OIG's assistance in helping us shape that process. In several areas, however, we and Birnbaum have reached differing conclusions. We use this opportunity to address the differences as well as to describe the practices we have improved based on the Birnbaum report.

Our response consists of two parts: comments on the points raised under Recommendations, and page-by-page comments on the material contained in Schedules A through N of the Report.

cc: Harris Wofford
John Gomperts
Louis Caldera
Donna Cunninghame
Luise Jordan
Tracy Gray
Jim Ekstrom

1201 New York Avenue, NW
Washington, DC 20525
Telephone 202-606-5000

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Response to OIG Report 98-01
Review of Training and Technical Assistance Agreements

Introduction

This response is organized to address the issues involved in the four recommendations contained in the Birnbaum Report. In most cases, changes have been implemented to strengthen procedures and documentation. In other cases, however, the Corporation does not consider the previous practices to be deficient and therefore no changes have been made. In this document we describe both our differences and the areas in which we agree with the report. The most significant difference is Birnbaum's continued assertion belief that the legal use of cooperative agreements should be replaced by the task order-type contract mechanisms.

Recommendation: Use indefinite delivery, indefinite quantity, task order contracts when procuring services of an indeterminate nature.

Management's Response:

The different conclusions reached by the Corporation and Birnbaum are rooted in our differing understandings of the needs of the Corporation and the work to be performed. The choice to use cooperative agreements was carefully considered early on and continues to prove a wise decision.

At the outset, the Corporation explored various options. A contract could be used, but any change would require contract modifications which could result in higher costs and delays in the delivery of services. Since the services would not directly benefit the government, a grant could be used; however, the Federal Grant and Cooperative Agreement Act of 1977 limits grants to situations where substantial involvement of the government in the recipient's activities is not expected. The decision to use cooperative agreements arose in response to three key factors: the formative nature of the AmeriCorps programs, the breadth and diversity of their start-up needs, and a delivery system that would permit extensive and flexible involvement for Corporation staff. We expected that we would need substantial, hands-on involvement to deliver the best and most responsive services possible for the money. Indeed, that has proven to be the case. (Precedence for using cooperative agreements in this way exists in other Federal agencies, such as the Department of Agriculture and the National Science Foundation.) Indefinite delivery, indefinite quantity, and task order contracts would not have permitted the flexibility needed for continuous improvement of services. It should be noted that the Corporation has several task order contracts for the Office of Evaluation and it is our experience that their nature would not be appropriate to meet the T/TA needs of the field. In addition, in some cases, recipients of cooperative agreements bear some of the costs through direct contributions or through cost-sharing. We have identified over \$700,000 in shared costs, thus reducing the overall cost to the taxpayer.

As we reflect on our experience with cooperative agreements over the last three years, we remain convinced of our continued need for the flexibility provided by this mechanism for managing the Corporation's relationship with national T/TA providers. The need for a hands-on approach to providing T/TA services still exists. Our strategy for meeting the training and technical assistance needs of Commissions and programs has not changed. After four years, we know more about the needs of the field and how to satisfy them. While we continue to devolve a greater T/TA responsibility to Commissions, our staff is increasingly seen as a valuable and valued source of information and guidance for the national providers. We continue to use this T/TA management strategy, because it makes sense and it has proven to be effective.

Within the context of using cooperative agreements, we recognized the need to improve certain aspects of the process. We detail those changes below.

Recommendation: Develop and implement policies for documenting the solicitation and selection processes.

Management's Response:

While subsequently the investigators found the necessary documents, it was indeed true that our files were not systematically and effectively organized. We immediately took steps to improve and standardize our record-keeping. We set up a centralized filing system following United States Government filing standards; we were guided in this by the designated federal file systems expert for our agency. While each member of the staff continues to maintain his or her own working files, we also maintain a centralized system, including a set of files where key documents are housed in the order recommended by federal standards.

All past files have now been standardized. In our current competition, all files are being compiled in accordance with the standards outlined in the *Review* and the standards established by federal guidelines.

The central files now include for each offeror, past and current:

- Description of the standard procedure for retiring and archiving documents
- The Notice of Fund Availability
- The signature memo authorizing the issuance of the Notice
- The initial proposal from each offeror
- A statement of the selection and awards process, the *Plan for the Selection and Award of Cooperative Agreement for Training and Technical Assistance Activities*, which was approved by the Chief Operating Officer prior to the beginning of the competitive process. A copy of this document is attached.
- Copies of proposal review sheets

- Recommendation memo(s)

For offerors who proceeded past the initial stage in the 1994 solicitation, the files contain:

- Revised proposals
- Revised budgets
- Any additional recommendation memos

For offerors who were selected as providers in the 1994 solicitation, the files contain:

- Revised proposals
- Revised budgets
- Additional recommendation memos
- Sign-off documents by the key decision-makers in the agency authorizing selection
- Copy of fully-executed award authorizations

For existing providers who received cost-extensions, the files contain:

- Proposals and budgets for additional services or for cost-extensions
- Revised proposals and budgets if requested
- Recommendation memos with justification for the extension
- Sign-off documents by the key decision-makers in the agency authorizing cost-extensions
- Copy of fully-executed Fund Certifications

Recommendation: Compete awards for these services to the fullest extent possible.

Management's Response:

The Corporation fully agrees that full and open competition is required. The *Review* cites instances where the auditors were unable to determine the procedure used or found the procedure less than satisfactory. While the Corporation has changed many of these practices in the current competition, this section details our position regarding the procedures applied in the earlier competition.

Awards to Proposals Lacking Top First-Round Scores

The *Review* noted two cases where the proposals of the organizations to which the award was ultimately made were ranked below others not receiving awards.

Management's Response:

It is essential in understanding the review process and the part played by the first round of external reviewers to acknowledge that initial scores by these outside peer reviewers, while an important part of our process, are not the end of that process. Reviewers,

although their independent and field-based point of view are invaluable to our process, read and recommend in a single category; the T/TA staff is responsible for recommending an overall portfolio of services, in which different providers' services complement and support one another, driven by a shared philosophy of T/TA. Reviewers assess only on the basis of what is on the page; written responses to further questions from staff, interviews with staff, and conversations with references and other former clients of the offeror may reveal that a proposal did not accurately represent the abilities of the offeror, whether for better or worse. Finally, staff recommendations to senior staff may result in further investigations and points of negotiation. Final decisions, will reflect additional assessments that probe more deeply into such elements as staff qualifications and experience, organizational history and ability to deliver services nationwide, approaches to training and technical assistance, familiarity and affiliation with the service community, and ability to respond to changing requirements.

Taking the two cases separately, we start with the process leading to the award for the National MultiCultural Institute (NMCI) to provide T/TA in the area of Diversity. The *Review* argues that this application "was ranked in the 'second tier' of proposals received. Three other proposals were ranked higher. Although the two highest ranked proposals were rejected based on discussions with those offerors, the Corporation did not hold discussions with the other higher ranked applicant before having discussions with, and choosing the second tier proposal for an award."

The *Review* is correct in noting that one offeror (United Cerebral Palsy) who received a higher initial score than NMCI was not interviewed after the initial round of interviews with World Interdependence Fund and Milwaukee Associates in Urban Development (which revealed significant weaknesses in each of their plans, eliminating them from the competition).

United Cerebral Palsy was not interviewed because their proposal dealt with diversity only as it relates to individuals with disabilities. Because of this narrow focus and because funds for disability-related T/TA were managed by another office within the Corporation, the United Cerebral Palsy proposal, along with other proposals dealing with disability, were referred to that office. The United Cerebral Palsy proposal was subsequently funded to provide disability-related services to State Commissions and national service programs.

In the second case, in the category of Citizenship, the *Review* says that the Corporation "made awards to both the second and third highest ranked applicants, but rejected the highest ranked proposal. When asked for an explanation, the Corporation stated that the highest ranked application was limited to developing materials for only one type of service program rather than 'many different participants and program types,' as requested by the NOFA. However, the Corporation's recommendation to select the third ranked proposal noted that it proposed to provide materials for only two AmeriCorps programs (similar to the highest ranked proposal). The Corporation's memo justifying the selection of this proposal stated in part that since the applicant 'has been a partner in national

service from the start, and has provided materials for schools in many different parts of the nation, we are willing to recommend moving ahead with this proposal.’ Thus, the Corporation cited inconsistent justifications for making an award to this applicant, and appears to have made its decision to award the agreement based on factors other than the relative merits of the proposal.”

The first issue raised—the comparative numbers of programs reached as an outcome of the award—appears to be the result of continuing confusion. The proposal that was rejected, from the Campus Compact proposed to develop and field-test materials, resulting in a final product that would be suitable for university-based programs. The proposal we awarded, from the Constitutional Rights Foundation, proposed to develop and field-test materials, resulting in a final product that would be suitable for all AmeriCorps programs. The confusion lies in the fact that the Constitutional Rights Foundation field test would involve only a few programs. We were not concerned, however, with the numbers reached in the field test, only with the numbers that could be reached in distribution of the final product. The product proposed by the Constitutional Rights Foundation clearly had far broader applicability than that of the Campus Compact.

The second issue raised—that Constitutional Rights Foundation was selected because they were “a partner in national service from the start” misrepresents the substance of the decision memo by only quoting it in part. Reference to the entire text of that section of the memo reveals that we recommended CRF because they “persuasively [made] the case for targeted development of tools and curricula as an essential part of the [Corporation’s] overall strategy,” because “CRF is a leader in the field” whose materials “are sure to be solid” and who has “provided materials for schools in many different parts of the country.” We also explained that their costs would be low. Finally, CRF was seen as the Corporation’s “partner in national service from the start” in a way that had direct pertinence to a training and technical assistance effort. CRF’s leadership in crafting and articulating so many of the ideas that lie behind and support national service, had happened through years of working with young people, developing both training and material in schools in California and across the nation. Based on all of the reasons stated above, we felt it was a rare opportunity to be able to draw on this organization’s experience and bank of adaptable materials and training designs.

Awards Made Through An Invitational Category

The *Review* objects to awards made through an Invitational Category in the NOFA, a section that “would allow prospective training and technical assistance providers to advise the Corporation of additional types of training and technical assistance that they could provide” but which “would not assure that the Corporation had competitive proposals for those types of services. To have a competitive process, the Corporation would have to announce that it was seeking proposals for the new types of services that were identified through the ‘invitational’ section of the NOFA. However, for these three agreements, the Corporation made awards without seeking proposals for similar services,

and later characterized the awards as being made to the 'only offeror.' Thus, these awards were not made on the basis of competition."

Management's Response

The Corporation disagrees with the reviewers' analysis. We continue to believe that the process used by the Corporation in the invitational category was a competitive process.

The approach used to award cooperative agreements in the Invitational Category paralleled that used for other NOFA categories. The general public was asked to submit concept papers proposing innovative T/TA approaches. In situations where only one organization offered to provide a needed T/TA service, the single proposal was reviewed and scored. If the proposal offered to provide services that were needed by the Corporation and if the proposal was soundly conceived and presented, a cooperative agreement was awarded.

Of the ninety (90) concept papers that were received and scored in the Invitational Category, sixteen were asked to submit full proposals and three were selected for funding. Thus, ninety applicants competed against one another. This process provided an effective mechanism during the Corporation's formative period for defining T/TA approaches that it had not specifically anticipated. Our Office of General Counsel has advised that this was a legitimate exercise of the Corporation's discretion.

Similar devices are used by other federal agencies. The process is comparable to ones used by the National Institutes of Mental Health and the National Science Foundation. For example, every year NSF awards hundreds of thousands of dollars using a competitive process in which organizations are invited to submit innovative ideas for scientific research. NSF reviews and selects the most promising ideas and awards cooperative agreements. In situations where only one proposal offers to pursue a particular objective, NSF does not re-announce or re-compete.

The providers we brought on through the Invitational category covered areas that significantly improved our overall portfolio. It enables the Corporation to encourage new ideas and enables the general public, including those who have direct daily contact with programs, to strengthen our understanding of what the field needs.

Because of our extensive experience with our programs in the past three years and a formal needs assessment that was conducted early in 1997, we did not include an invitational category in our most recent NOFA.

Inadequate Documentation Justifying Cost Extensions; Lack of Evidence of Analysis by the Grants Officer; Lack of Evidence that Grants Office Recommendations Were Followed

While Corporation staff conduct detailed and rigorous grant and budget reviews, we agree with the *Review* that increased levels of documentation are needed. In the future, when an extension of time or increase in funds is contemplated, the responsible T/TA officer will prepare a formal, detailed memorandum that documents the process under the agreement and the rationale for awarding additional funds.

Recommendation: Develop and implement policies for oversight of the activities of entities that are awarded cooperative agreements.

Management's Response:

While the Corporation acknowledges that written documentation of its oversight of T/TA cooperative agreements needs to be strengthened, Corporation staff involvement with the T/TA provider network has been substantial and continuous. Training and Technical Assistance Officers interact with the providers frequently. They meet or speak with them by telephone, analyze and discuss their reports, render technical and management decisions regarding T/TA plans and delivery and otherwise provide guidance and direction. This interaction reflects the Corporation's oversight of the cooperative agreements and has helped to strengthen the overall quality of the services offered by the T/TA providers.

In addition to exercising general management oversight of the cooperative agreements, T/TA officers routinely work with the providers in the development and delivery of T/TA services. Specifically, the Corporation staff conduct comprehensive reviews of materials used by providers, and advise them concerning the scheduling and conduct of training events. They serve as members of teams that design training curriculum and attend those events when appropriate to evaluate the overall effectiveness of these efforts. For example, in the case of the National Crime Prevention Council (NCPC), the T/TA officer frequently participates in the NCPC Frontline Supervisor training. Following the course, the Officer will meet with NCPC staff and instructors to analyze the session and identify ways to strengthen the curriculum. The T/TA officer also played a significant role in developing the course's highly praised companion publication, *Becoming a Better Supervisor: A Resource Guide for Community Service Supervisors*, which is provided to all course participants, has been distributed to all State Commissions' executive directors and Corporation State Office directors and is available to all Corporation-funded programs.

Further, when oversight shows that T/TA services are not meeting the needs of State Commissions and programs, the Corporation takes corrective action. For example, in 1996, after considerable effort to strengthen the performance of three United Way sites (in Richmond, Portland and St. Louis), Corporation staff determined that collaboration with those offices should be ended. In collaboration with United Way of America headquarters, four other sites were selected (Austin, Memphis, New York and Pittsburgh). In another instance in 1996, when Corporation staff determined that the

quality of Youth Service America's performance was inadequate, the agreement was not renewed.

Between February and June 1997, the T/TA unit used independent consultants to evaluate the performance of all the T/TA providers. These experts, all of whom had extensive experience in evaluating programs in the federal sector, included former members of the offices of the Inspector General of other federal agencies. Reports of their assessments, which have been sent to each T/TA provider and State commission, and are available for review, confirm the quality of provider performance and high degree of user satisfaction.

The Corporation's staff works with providers daily. For example, there were more than 190 communications between the United Way San Francisco office and the Corporation T/TA staff during the last 15 months. The United Way Chicago office accounted for more than 105 contacts over the last 18 months. Similar contact with other T/TA providers occurred on a regular basis. The T/TA program files contain correspondence (progress reports, training reports, training materials) that further reflects the nature and extent of the communication with the providers.

While Corporation staff involvement with the T/TA provider network has been substantial, plans are underway to better document this involvement. Among the practices being instituted is a requirement for providers to report monthly on their activities in a standardized format. A system for tracking and recording in greater detail all substantive T/TA management oversight activities is also being implemented. We anticipate completing the oversight protocols by December 15, 1997 and certainly prior to the issuance of new T/TA cooperative agreements.

Conclusion

The Corporation is committed to strengthening the T/TA program to build upon the lessons learned in the last three years and the insights detailed in the Birnbaum and Company *Review*. Despite our continuing disagreement over some issues, we are grateful for the ways in which this *Review* has enabled us to improve our work and strengthen our stewardship of the public trust.