



The Inspector General review of this FY 2001 that it set forth the requirements and transcription service with adequate specificity and detail.

The statement of work pertained to both court reporting and transcription services. It set contractor for on-site cancellation, late cancellation, and additional services. The state required format for transcripts and exhibits, authority of duplicate transcripts, of duplicate transcripts, requirements, stipulated payment requirements, stipulated confidentiality standards.

In response to the solicitation, and based upon criteria, contracts were awarded to four of reporting and transcription services. The following select were based, in part, on geographical time zones:

- ☐☐ **NEAL R. GROSS & CO. INC. (Washington, DC).**  
Washington Regional Office  
Boston Regional Office
  
- ☐☐ **JACKSON & ASSOCIATES (Santa Rosa, CA).**  
Denver Regional Office
  
- ☐☐ **ON THE RECORD REPORTING (Austin, TX)**  
Atlanta Regional Office  
Dallas Regional Office  
Chicago Regional Office
  
- ☐☐ **VARS (Sacramento, CA)**  
San Francisco Regional Office

Toward the end of 2003, the FLRA Contract court reporting contract for management that the current contract would expire 2003. 2003. 2003. FLRA management did not approve the contract by the end of the year and, instead, extended the existing 2003 contract 30 days (expiration on March 30, 2003) and continued to provide services.



Chicago Chicago Regional Chicago Regional Offices Chicago Regional Offices and J  
the Denver and San Francisco Regional Offices.

**V. Costs**

Based Based upon maximum Based upon maximum workload Based upon maximum workload  
\$200,000 \$200,000 per year for court \$200,000 per year for court reporting during  
the expenditure for actual requirements was substantially less.

	Expended	Budget
FY 2000	\$31,981.65	\$45,798.35
FY 2001	\$88,633.68	\$109,386.95
FY 2002	\$88,682.23	\$106,337.50
FY 2003	\$96,144.94	\$125,000.00
*OGC	\$46,691.62	\$75,000.00
*FSIP	\$565.80	\$565.80
*ALJ & AUTH	\$0.00	\$0.00
FY 2004 (September 30, 2004)	\$75,997.93	\$75,565.80

The The total amount The total amount sThe total amount spent duri  
\$37,581.15. \$37,581.15. The amount spen \$37,581.15. The amount spent duri  
\$38,416.78 \$38,416.78 even though \$85,000.00 was allocated for rem \$38,416.78  
the fiscal year.

During During FY 2004, the FLRA Regional Offices required the f During FY 20  
amount of court reporting.

Atlanta Regional Office	7 times	
Boston Regional Office	6 times	
Chicago Regional Office	6 times	
Dallas Regional Office	4 times	
Denver Regional Office	8 times	
San Francisco Regional Office	4 times	
Washington Regional Office	10 times	
FSIP	11 time	1 time

## **VI. Procurement Options**

### **GSA Multiple Award Schedule**

#### **FY-2004**

This investigation affirmed that in early March 2004, the Contracting Officer recommended the multiple-award contract pursuant to Schedule (Solicitation Number.7FCM-N contract would have provided transcription services for the implemented cancellation fees and additional approved overtime and weekend work. By the time FLRA management accepted the FLRA Contracting Officer's recommendation to satisfy competition had alternative was necessary to ensure first part of April 2004 would have court reporters.

### **Blanket Purchase Agreement**

#### **FY-2004**

On April 2, 2004, FLRA Director of Administration, Division, directed the Division, directed the Blanket Purchase Agreement (BPA) for remaining six months of FY-2004.

The BPA authorized FLRA Regional Office managers to place orders with the vendors listed on that document: however, because Office Managers procurement authority is limited purchasing threshold, any order exceeding purchasing threshold, any be submitted to the Director, Administrative Services be submitted forwarded it to the FLRA Contracting Officer. This process was later modified to allow Regional Offices to submit a form to the Office of the General Counsel who then submit through the Administrative Services Division. through the Administrative Services Division. were required to maintain monthly reports which were submitted to the Director, Administrative Services Division.

The BPAs set forth the requirements in a fashion similar to the previous court reporting specifications for transcripts, exhibits, fees, and timeliness.

However, However, BPAs do not cite However, BPAs do not cite appropriate  
16.702(c)).

The The BPAs were The BPAs were merely The BPAs were merely written instruments  
FLRA FLRA and the vendors, which FLRA and the vendors, which contemplated the  
service service or product, if the vendor accepts service or product, if the  
purchase order is not a contract FAR 16.702(a)).

BPAs BPAs are not contracts but BPAs are not contracts but are BPAs are not  
enforceable. enforceable. Each time a court enforceable. Each time a court  
has to send out has to send out the order and the companies has to send out the  
Since Since BPAs Since BPAs are Since BPAs are not contracts, the companies  
responsible responsible for performing all of the stated du responsible  
agreement agreement of be held responsible for not showing up to the hearing  
on on time. BPAs do not prevent the companies on time. BPAs do not prevent  
have have the have the obligation to standardize have the obligation to standardize  
to court reporting services list general specifications.

The The use of BPAs for court reporting by FLRA Regional Offices began  
in in April, 2004. Although the in April, 2004. Although the FLRA Office in April, 2004,  
Directors Directors stated Directors stated that Directors stated that initially  
to to obtain service under the BPA to obtain service under the BPA,  
significant significant problems other than ones significant problems other than  
Atlanta Atlanta Regional Office. This occurred while the Atlanta Regional Office  
Officer Officer was on leave and Officer was on leave and did not re Officer  
Office Office request Office request for court reporting services on Office request  
appeared appeared that the blanket appeared that the blanket purchase process was  
it required much more paperwork than the previous contracts.

BPAs BPAs can only BPAs can only be processed by the FLRA Contract  
Purchase Purchase Agent if they Purchase Agent if they exceed \$2,500.00. Purchase  
used used have \$10,000.00 on used have \$10,000.00 on each requisition to contract  
court court reporting services. If a dispute issue arises using court reporting  
there there is there is no enforceable agreement. While contracts require  
contractor contractor to accept related contractor to accept related task contract  
to to accept BPAs and can even increase their rates for each to accept BPA  
Regional Office BPA submission for court reporting services.

The The FLRA Office of General Counsel management an General Counsel management  
strong strong preference for reinstating a formal contract strong preference for  
reporting reporting and transcription services reporting and transcription  
monitored monitored better, service is monitored better, service is more responsible  
controlled.

The FLRA Contracting Officer and Purchase Agent stated that FLRA's reliance on BPAs yields too much independence to vendors who are not obligated to accept an enforceable contract, which provides specific duties for timeliness, BPAs "start from scratch" each time a vendor upon to accept or reject an assignment. Initially days were involved in the processing of BPAs because orders had to be approved before the process processed. As previously stated, an appropriate process the BPA process so that the form had to be the BPA process so that the Office of the General Counsel as well as the Office of the General Services Division.

Currently, the FLRA Office of General Counsel Administrative Law Judges are the FLRA components that regularly use court reporters. Office of the Solicitor only use them if the FLRA Authority is involved in a circuit court issue, reporting services are provided by the court and the Office of the Solicitor does not have the responsibility. If the Solicitor gets involved in depositions as a court reporter, he does so through the Administrative Law Division.

## **VII. In-House Alternative**

Because court reporting and transcription are inherently governmental functions, there is no Federal agency that deploys its own employees. President's Management Agenda states a preference for outsourcing such commercial activities.

In August 2004, FLRA Inspector General In August 2004, FLRA Inspector General Reporting Association (NCRA) to evaluate training incumbent employees to overall court reporting and transcription functions. Various NCRA programs are approved for court reporters. The prices range from \$8,000 to \$20,000 per trainee. The entire training process requires approximately 3 to 6 months.

Based upon preliminary budget estimates it was obvious that training eight regional employees and two head training eight regional employees was not a feasible alternative to outsourcing court reporting, and is not a cost productive and is not a cost productive option. prohibitive prohibitive prohibitive prohibitive direct labor costs, it divert these employees from divert these employees from divert these regular duties.

Discussions with FLRA paralegal and legal technicians revealed that most would be interested in training to assume such they would only do so if they would only do so if their grad they would. FLRA Regional Office Directors stated that performing in-house would cause the appearance in-house would cause the appearance shift too much additional work to other administrative and unacceptably increase travel and unacceptably increase travel costs and Regional Office locations. Most of managers were not interested in pursuing the new duties managers were not reporting.

A questionnaire sent to the Regional Office Managers revealed that the majority of current BPA method because it required much more current BPA Regional Office method for obtaining current BPA Regional services requires the FLRA Regional authorization form which requires the Regional authorization form submit the form to the FLRA Office of General Counsel as submit the Administrative Services Administrative Services Division \$2,500.00 or more and submit additional paperwork to the vendor.

### **VIII CURRENT ACTION**

On September 27, 2004, the FLRA Inspector General and FLRA management had made an interagency agreement with the Department of Treasury FedSource to contract for services for the FLRA. Management planned for this contract on October 1, 2001 after the Blanket contract on September 30, 2004. However, the Department of Treasury FedSource contract for FLRA because of the high price submitted for Deposition Service. Deposition Service. Deposition Service. FLRA contract not more than \$100,000.00. FLRA management has the use of the BPA until December 31, 2004 because the contract had not been provided. contract had not been provided. The





Treasury FedSource has resulted in taking more money than feasible.

While the BPA system has worked satisfactorily for the process is not in the best interest for the government for services (better for material does not promote competition; it can cause risks such as untimely delivery and increases in costs. An increase in services actually occurred by the Neal Gross, Inc. contractor.

**Outsourcing: FedSource**

Federal Acquisition Regulation 16.500-Indefinite-Delivery Contracts; Federal Acquisition Regulation 16.201- Fixed-Price Contracts; and Federal Acquisition Regulation 16.501- Small Businesses prescribe authority and FLRA's requirements for court reporting and transcription. Prior to the release of this report, FLRA modified the procedure for outsourcing court reporting and transcription services. In order to eliminate the use of procurement (recommended by Services Division), and contract for an inter-agency agreement with the FedSource, the Department of Treasury. The Department will perform all contract administration possible to evaluate cost benefits of this process at this time since the contract is currently under negotiation for costs.

The Department of Treasury's FedSource does have a proven reliable inter-agency support and transcription services. The initial recommendation contemplated by the initial recommendation to eliminate the use of BPAs and contract outsourcing was not an inappropriate decision for management to enter into an agreement with another Federal agency. Processing the contract with GSA within house through GSA would have probably involved much less time and money. The task order initially submitted by Treasury FedSource was the statement of work by the FLRA Contracting Office of General Counsel for Treasury FedSource. Nor was this statement of work provided to



acquisitions exceeding \$100.0  
business concerns when business concerns when  
two or more small business concerns  
acquisitions practice or history  
determining the likelihood  
**FedSource awards this FLRA statement FedSource awards this FLRA s**  
**(Esquire Deposition Service is considered a lar(Esquire Depo**  
**concern), concern), concern), the FLRA will be vulnerable to having its for**  
**business contractors who business contractors who a business contr**  
**services (through BPAs) file claims against the FLRA.**

The FedSource contractor, Esquire Depos  
small business contractor as  
is important for FLRA management to un  
be used by the FLRA former be used by the FLRA  
(who were all small business contractors) as a basis for a bi  
protest against the award.

#### **IX. FINDINGS AND RECOMMENDATIONS**

Finding 1: In spite of management training in con  
services, FLRA management has not been properly executi  
contracting services to minimize time, costs and problems.

Recommendation 1: FLRA should improve its c  
for both internal and external contracting and should involve input  
from managers who will be affected by the outsourced actions.

Finding 2: While the use  
the last nine months has not, the last nin  
normally used for material purchases, not Federal services.

Recommendation 2. FLRA management needs Recommendation 2  
contracting in a timely manner.