



SEPTEMBER 10, 2010

**MEMORANDUM FOR:** Helen Hurcombe  
Senior Procurement Executive and Director,  
Office of Acquisition Management

**FROM:** Ann C. Eilers   
Principal Assistant Inspector General for Audit and Evaluation

**SUBJECT:** Review of Recovery Act Contracts and Grants Workforce Staffing  
and Qualifications at the Department of Commerce  
Final Report ARR-19900

This memorandum reports the recommendations applicable to the Department of Commerce from the government-wide *Review of Contracts and Grants Workforce Staffing and Qualifications in Agencies Overseeing Recovery Act Funds*, issued by the Recovery Accountability and Transparency Board in March 2010.<sup>1</sup>

### ***Introduction***

The American Recovery and Reinvestment Act of 2009 (ARRA) directed the Recovery Accountability and Transparency Board to review (1) “whether there are sufficient qualified acquisition and grant personnel overseeing covered funds” and (2) “whether personnel whose duties involve acquisition or grants made with covered funds receive adequate training.”<sup>2</sup>

At the request of, and in consultation with, the Board, the Department of Commerce Office of Inspector General (OIG) prepared the board report, which comprised, in part, the results of a survey distributed to the 29 offices of inspector general responsible for oversight of the Recovery Act. The report provided an overview of the staffing, qualifications, and training of the acquisitions and grants workforces awarding and administering ARRA funds. The report also

### **Commerce Recommendations**

**We recommend** that Commerce bureaus closely monitor the staffing of both Recovery Act and non-Recovery Act work and make adjustments as necessary to ensure that all contracts and grants are properly awarded and monitored. Additionally, we recommend that the Department take steps to ensure that all contracting officers are in compliance with relevant certification requirements. Finally, the Department should determine if program managers working on major acquisitions are certified and close any certification gap that may exist.

**We further recommend** that the Department of Commerce establish its own requirements for the training of grants personnel in all of its bureaus.

<sup>1</sup>*Review of Contracts and Grants Workforce Staffing and Qualifications in Agencies Overseeing Recovery Act Funds*, compiled and presented by the Office of Inspector General, Department of Commerce; Recovery Accountability and Transparency Board, March 2010.

<sup>2</sup>Pub. L. No. 111-5, § 1523(a)(2)(D) & (E), 123 Stat. 290.

provided specific recommendations addressing the need to closely monitor both Recovery Act and non-Recovery Act work, the assessment of training and certification of contracting personnel, and the establishment of training requirements for grants personnel absent government-wide standards.

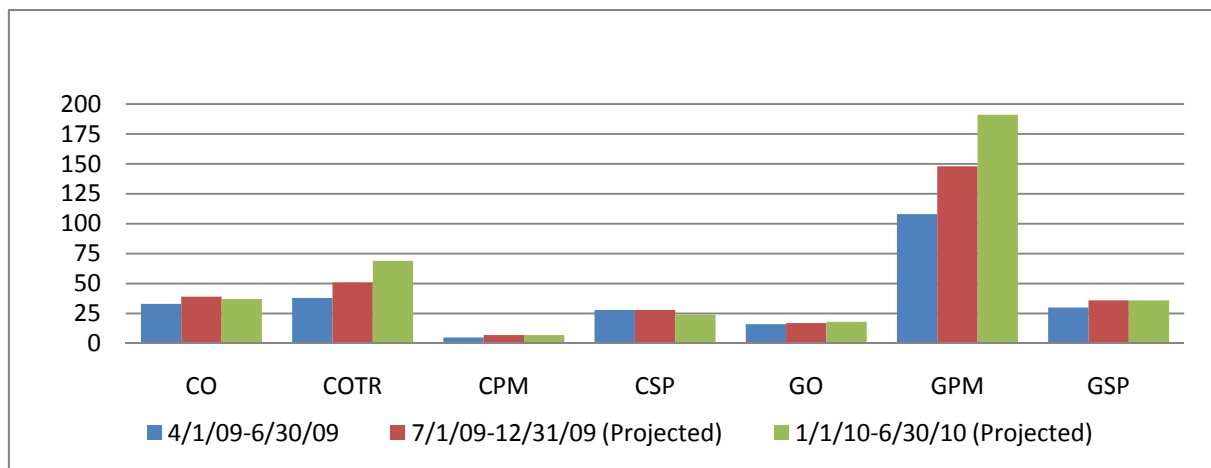
The board report divides the contracts and grants workforce into seven job classifications: contracting officer (CO), contracting officer’s technical representatives (COTR), contract program manager (CPM), contracting support personnel (CSP), and grants officer (GO), grants program manager (GPM), and grants specialist (GS).<sup>3</sup>

### ***The Department of Commerce’s Contracts and Grants Workforce***

This report highlights and summarizes the Department of Commerce’s responses to the survey. It extracts Department data collected for the board report and presents it by bureau and job classification. The six Department bureaus included in the survey were: Office of the Secretary (OS), Census Bureau, Economic Development Administration (EDA) National Institute of Standards and Technology (NIST), National Oceanic and Atmospheric Administration (NOAA), and the National Telecommunications and Information Administration (NTIA).

The board report used three consecutive reporting periods in its analysis of the contracts and grants workforce. At the time the survey was distributed, the second and third periods were projections. At June 30, 2010, contracts and grants personnel in the reporting bureaus were projected to total 2,163—a 13-percent increase over the previous year. Of those, 382 (18 percent) were to be assigned Recovery Act work. NTIA, in particular, saw a significant increase in its workforce, reflecting increased attention to the Broadband Technologies Opportunity Program (BTOP). Figures 1 and 2 show the workforce assigned to the Recovery Act by job classification and bureau, respectively. Reporting by some agencies appears to suggest that all or most of their contracts and grants employees are working on the Recovery Act, while others report that only certain employees do.

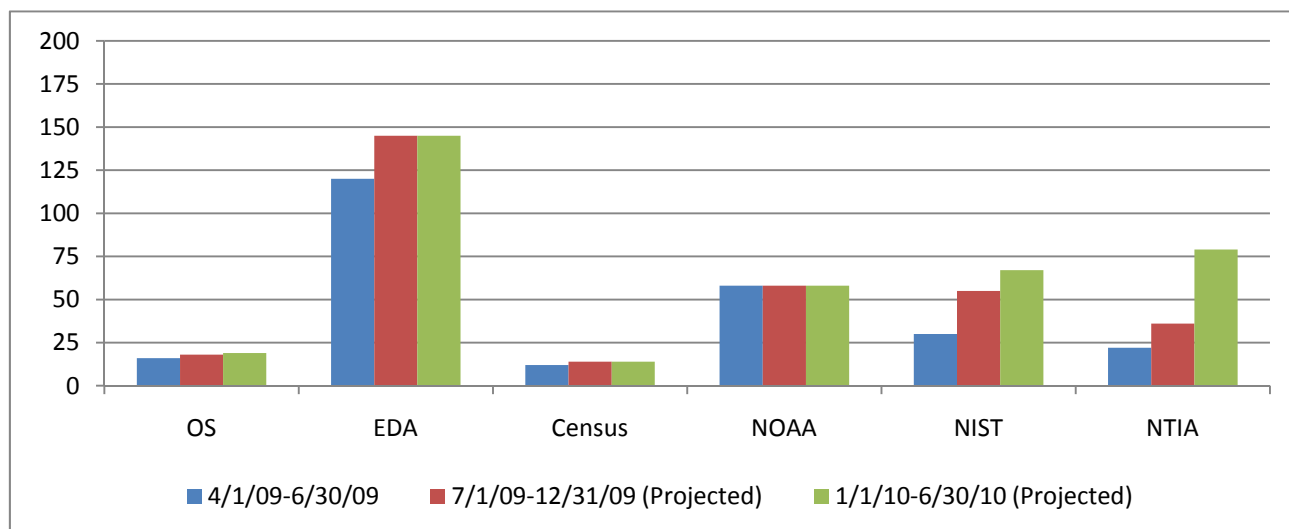
**Figure 1. Employees, by Position, Assigned to Recovery Act Contracts and Grants, Actual and Projected, April 2009–June 2010**



Source: Board report.

<sup>3</sup>See Attachment I—Objectives, Scope, and Methodology—for definitions.

**Figure 2. Employees, by Bureau, Assigned to Recovery Act Contracts and Grants, Actual and Projected, April 2009–June 2010**



Source: Board report.

***Commerce Workforce is Generally Sufficient but Impacts Noted on Non-Recovery-Act Workload***

Commerce respondents generally reported staff sufficient to meet the workload imposed by the Recovery Act. In associated comments elicited by the survey, the bureaus reported 11 of the 23 contracts and grants job classifications to be largely unaffected by any additional Recovery Act workload. In these instances, some respondents noted that they either already had enough qualified staff to handle the extra burden or would hire additional staff. Eight of the job classifications reported impacts from the Recovery Act, but only to the extent that non-Recovery Act work would be affected. Respondents noted that staff would be taken away from regular duties, sometimes leading to delays. The reporting of insufficient staff across the board was limited to four job classifications in two bureaus. These respondents noted neglect of non-Recovery-Act workload, delay, and the possibility of compromised work quality.

***Almost All Commerce Contracting Personnel Working on Recovery Act Have Met their Certification and Training Requirements***

At the Department of Commerce, almost all contracting personnel have met the certifications and continuous learning requirements associated with the Office of Federal Procurement Policy’s (OFPP)<sup>4</sup> certifications applicable to their jobs. Three bureaus have established additional qualifications requirements for contracting personnel that go beyond the OFPP certification, a positive development. Census, NIST, and NOAA have additional qualifications for COTRs; NOAA

<sup>4</sup>OFPP, within the Office of Management and Budget, was established by Congress in 1974 to provide overall direction for government-wide procurement policies, regulations, and procedures, and to promote economy, efficiency, and effectiveness in acquisition processes. The board report summarizes OFPP requirements.

has additional qualifications for contract program managers, and Census has them for contract support personnel. Census and NOAA reported that they have a total of seven contract program managers who manage “major acquisitions”—that is, acquisitions that exceed \$75 million over a project’s life cycle.<sup>5</sup> The board report data do not allow us to determine if these contract program managers are current on their certifications.

In addition, the Department has established a three-level contracting officer representative certification program. The program is designed to facilitate the development of the necessary competencies needed for individuals to progress to the management of contracts with higher complexity and higher contract management risk.

Unlike the acquisition workforce, which has specific certification and continuous learning requirements, there is no government-wide standard for the grants workforce. Without a common standard, a comparative analysis across the five Commerce bureaus was not possible.

### ***Recommendations***

**We recommend** that Commerce bureaus closely monitor the staffing of both Recovery Act and non-Recovery-Act work and make adjustments as necessary to ensure that all contracts and grants are properly awarded and monitored. **Additionally, we recommend** that the Department take steps to ensure that all contracting officers are in compliance with relevant certification requirements. Finally, the Department should determine if program managers working on major acquisitions are certified and close any certification gap that may exist.

**We further recommend** that the Department of Commerce establish its own requirements for the training of grants personnel in all of its bureaus.

Please advise us by October 10, 2010, of the actions you propose to take on our recommendations. If you have any questions, please call me at 202.482.2754 or Kathleen McKeivitt, Project Lead, Recovery Act Task Force, at 202.527.3651

cc: Michael L. Palensky, Chief, Acquisition Division, Census  
Darice Arhsbrak, Chief, Information Officer, EDA  
Cecilia Royster, Deputy, Division Chief, NIST  
Mitch Ross, Director, Acquisition and Grants Office, NOAA  
Darryl Anderson, Director, Commerce Acquisition Solutions, OS  
Wayne Ritchie, OTIA Chief Administrative Officer, NTIA

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<sup>5</sup>OMB Circular A-11, Part 7, Section 300, designates certain investments as “major,” including those “defined as major by the agency’s capital planning and investment control process.” The Department of Commerce has defined acquisitions that exceed \$75 million as major investments (Department of Commerce Acquisition Manual, § 1307.1).

## Attachment 1

### OBJECTIVES, SCOPE, AND METHODOLOGY

The Recovery Act charged the Recovery Accountability and Transparency Board with reviewing the sufficiency, qualifications, and training of contracts and grants staff overseeing Recovery Act funds. In May 2009, the board asked the Department of Commerce OIG to develop a survey to obtain a snapshot of the Recovery Act acquisitions and grants workforce during the initial implementation of the Act. The survey document created was divided into seven discrete sections, each correlating to a specific segment of the acquisitions and grants workforce. The board report used the Office of Federal Procurement Policy's definitions of the positions that constitute the contracting workforce:

- *Contracting officers* are government employees authorized to enter into, modify, or terminate contracts on behalf of the federal government. Their responsibilities include acquisition planning, managing the evaluation of offers, and ensuring performance of the contract.
- *Contracting officer's technical representatives* are authorized to perform administrative and/or technical functions associated with contract performance by virtue of a delegation of authority from the contracting officer.
- *Contract program managers* manage programs that a particular project is supporting.
- *Contracting support personnel* includes all other government employees whose primary responsibilities involve government contracting, from contracting specialists without warrants to agency policy and procurement executives and their staffs.

Unlike the contracts workforce, no standardized structure exists for the grants workforce. As a result, the grants workforce is structured differently from agency to agency across the federal government. The board report provided comprehensive definitions in order to capture the authorizing management, policy, oversight, and support personnel who award and administer grants.

- *Grants officers* are government employees with authority to approve awards and amendments that obligate or deobligate funds and to oversee the business management and administrative aspects of grants or cooperative agreements.
- *Grants program managers* manage the programmatic aspects of grants or cooperative agreements, including tracking the recipient's progress and comparing actual accomplishments with goals and objectives established in the award.
- *Grants specialists* support the grants officer in the business management of grants and cooperative agreements, including oversight personnel who create policy and guidance.

The results of that survey and accompanying review and recommendations were published by the Board in March 2010. The completed Department of Commerce surveys were the basis for this report. We relied upon the board report, whose methodology included quality checks, minor edits of data, and correction of material inconsistencies through consultation with survey respondents.<sup>6</sup> In addition, in the preparation of this report, we asked one Department bureau to submit an additional

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<sup>6</sup>See board report, Appendix B: Objectives, Scope, and Methodology, p. 33.

survey. We did not validate the data, although we met with Department officials to verify selected data points and to ensure the reasonableness of the reported data.

The board report was in response to a statutory requirement in the American Recovery and Reinvestment Act of 2009 that directed the board to review the sufficiency and qualifications of the acquisition and grants personnel working on the Recovery Act. This work does not constitute an audit under generally accepted government auditing standards.

Attachment 2

**DEPARTMENT OF COMMERCE RECOVERY ACT FUNDING**

(in thousands)

<b>Economic Development Administration (EDA)</b> <b>\$150,000</b>	\$ 150,000	Grants to economically distressed areas support efforts to create higher-skill, higher-wage jobs by promoting innovation and entrepreneurship and connecting regional economies with the worldwide marketplace
<b>Census Bureau</b> <b>\$1,000,000</b>	1,000,000	Hire new personnel for partnership and outreach efforts to minority communities and hard-to-reach populations, increase targeted media purchases, and ensure proper management of other operational and programmatic risks
<b>National Oceanic and Atmospheric Administration (NOAA)</b> <b>\$830,000</b>	230,000	Habitat restoration, navigation projects, vessel maintenance
	430,000	Construction and repair of NOAA facilities, ships, and equipment; improvements for weather forecasting and satellite development
	170,000	Climate computing and modeling
<b>National Institute of Standards and Technology (NIST)</b> <b>\$610,000</b>	220,000	Laboratory research supporting economic growth and innovation through competitive grants, research fellowships, and advance measurement equipment
	360,000	Maintenance and renovation backlog
	30,000	Funds from the Department of Health and Human Services for standards-related research on medical records; from the Department of Energy to develop framework for an interoperable smart grid for U.S. electric power system
<b>National Telecommunications and Information Administration (NTIA)</b> <b>\$4,690,000 Broadband</b> <b>\$650,000 Converter box</b>	3,890,000	Broadband Technology Opportunities Program—awards to eligible entities to develop and expand broadband services to rural and underserved areas and improve access to broadband by public safety agencies
	350,000	Broadband inventory mapping
	250,000	Sustainable adoption of broadband services
	200,000	Upgrade public computer centers
	650,000	TV converter box coupons
<b>Office of Inspector General</b> <b>\$16,000</b>	16,000	Oversight
<b>Total</b>	<b>7,946,000</b>	

Source: American Recovery and Reinvestment Act of 2009, Department of Commerce, Program Plan Updates, May 2010