



At a Glance

Why We Did This Review

The U.S. Environmental Protection Agency's (EPA's) Office of Inspector General conducted this review to assess agency controls and processes for managing a time-and-materials (T&M) contract. We selected one contract to determine whether: (1) the EPA has procedures that require the verification of contractor personnel as having the qualifications and credentials specified in the contract; (2) the implementation of that verification process is effective; and (3) the EPA received the level of services for which the agency paid.

The contract, EP-W-07-067 ("Technical and Outreach Support Services for Domestic and Global Climate Initiatives and Global Climate Change Programs"), was awarded by the EPA's Office of Administration and Resources Management.

This report addresses the following EPA goal or cross-cutting strategy:

- *Embracing EPA as a high-performing organization.*

For further information, contact our public affairs office at (202) 566-2391.

The full report is at:
www.epa.gov/oig/reports/2014/20140530-14-P-0272.pdf

Weak Management of a Climate Change Services Contract Creates Risk EPA Did Not Receive Services for Which It Paid

What We Found

The EPA lacks a process to verify that contractor personnel had the skill level to satisfy contract requirements. We reviewed all 93 task orders for contract EP-W-07-067 and focused on task order 25. The task order 25 review revealed several problems:

- The task order did not list any employees named in reviewed invoices.
- The EPA repeatedly modified the task order to increase funding from an initial estimate of \$310,917 to over \$2,000,000.
- The contracting officer's representative for task order 25 accepted the contractor's deliverables without documenting a review of the contractor's personnel qualifications in comparison with the labor categories invoiced.
- The task order was closed without all deliverables being met.

The EPA awards millions of federal dollars to contractors every year. It must have robust oversight and management controls in place to prevent waste and unnecessary spending.

In the contract we reviewed, the official contract file was incomplete, the determination and findings document did not properly justify the use of a T&M contract, a government-surveillance plan was not created, and a contracting officer's representative improperly authorized the disposal of government property. There was almost no contract management after the contract was awarded, and the contracting officer had little involvement with contract administration and delegated most tasks to the contracting officer's representatives. Given the lack of oversight, contract administration and documentation, the EPA cannot verify that the contractor provided qualified staff for the execution of the contract, which created the risk of the agency not receiving services for which it paid.

Recommendations and Agency Response

We made eight recommendations to the Assistant Administrator for Administration and Resources Management to improve, implement or address agency oversight of contractor personnel, subcontractors, activities and invoices under T&M contracts; best practices for agency personnel when dealing with T&M contract administration; and questionable charges and improper disposal of government property for contract EP-W-07-067. The EPA has agreed with some recommendations and proposed some acceptable corrective actions. However, information on actions is incomplete and disagreements remain. Therefore, all recommendations are unresolved. In its final response to this report, the EPA must provide additional information, as described in this report, to resolve the report recommendations.