



At a Glance

Why We Did This Audit

We conducted an audit of U.S. Environmental Protection Agency (EPA) Contract No. EP-W-14-020, which procures services in support of the EPA's Alternative Dispute Resolution and Public Involvement activities. The purpose of this audit was to determine whether the EPA receives services and whether costs are billed in accordance with contractual and acquisition requirements.

In June 2014, the EPA awarded Contract No. EP-W-14-020, which is valued at over \$51 million and has a period of performance of 60 months. The objective of this contract is to implement the agency's Alternative Dispute Resolution Policy and Public Involvement Policy. Mediation, facilitation, outreach, coaching and training are among the services procured under this contract.

This report addresses the following:

- *Operating efficiently and effectively.*

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EPA's Alternative Dispute Resolution and Public Involvement Contract Needs Better Management

What We Found

The terms of Contract No. EP-W-14-020 were not in compliance with the Federal Acquisition Regulation (FAR) and the EPA Acquisition Regulation (EPAAR). In addition, some contract deliverables did not comply with contract requirements. Specifically, we identified the following issues during our audit:

- Several contract terms were outdated, contradictory and incomplete. Several required clauses were also missing.
- The contract did not permit firm-fixed-price task orders.
- Monthly progress reports, final reports and invoices were missing some required contract data.

The EPA must provide better assurance that it effectively receives services and correctly pays for billings under this \$51 million contract.

Also, management of Contract No. EP-W-14-020 needs improvement to comply with contractual and acquisition requirements. Specifically, we found the following issues during our audit:

- Four Task Order Contracting Officer's Representatives did not provide written technical direction, as required by the contract and EPAAR.
- In one case, the EPA did not report contractor performance evaluation information in a timely manner, as required by the FAR.
- The Contracting Officer did not perform invoice reviews in a timely manner, as required by the EPA Acquisition Guide.
- The Contracting Officer did not issue the Contracting Officer's Representative appointment memorandum in a timely manner, as required by the FAR and the EPA Acquisition Guide.

These issues occurred due to insufficient oversight.

Recommendations and Planned Agency Corrective Actions

The EPA was proactive in responding to our findings throughout our audit fieldwork. As described in the "Actions Taken" subsections in Chapters 2 and 3, the agency completed actions to correct a majority of the issues we identified.

Consequently, this report makes only three recommendations to the Assistant Administrator for Administration and Resources Management and to the General Counsel. Our recommendations include actions to improve the contract's terms, deliverables, management, oversight and internal controls. The EPA agreed with all three recommendations and provided planned corrective actions and completion dates that meet the intent of the recommendations. As of the publication of this report, corrective actions are pending for Recommendation 1 and are completed for Recommendations 2 and 3.