



# Office of Inspector General U.S. Government Accountability Office Report Highlights

September 18, 2020

## NON-COMPETED CONTRACTS

### Actions Are Needed to Improve Internal Control

#### Objective

This report assesses the extent to which GAO maintained adequate internal control over non-competed contracts.

#### What OIG Found

While federal statute and acquisition regulations generally require that contracts be awarded on the basis of competition, they also permit federal agencies to award non-competed contracts in certain circumstances. GAO has generally established policy and procedures to promote and provide for competition in accordance with the Federal Acquisition Regulation (FAR) when awarding contracts. However; GAO needs to define, document and fully implement the roles and responsibilities for the Competition Advocate and the Senior Procurement Executive. We identified errors in competition data recorded by GAO in the Federal Procurement Data System-Next Generation (FPDS-NG) and found instances where contract documentation did not demonstrate the performance of key control activities. Gaps in policy and procedures led to deficiencies in acquisition planning documentation, and in publicizing non-competed contract justifications. Insufficient monitoring resulted in missing documentation to support price reviews of contractors' proposals—including one contract where GAO could not provide evidence to support that it did not overpay \$181,500 for equipment, incomplete offering letters to the Small Business Administration (SBA) under the 8(a) program, and missing Recommendations for Awards. These deficiencies increase the risk of GAO not receiving the best value for contracted goods and services.

#### What OIG Recommends

OIG is making five recommendations related to the award of non-competitive contracts. GAO should (1) document the roles and responsibilities for the Competition Advocate and Senior Procurement Executive to address the required reviews and related annual reports; (2) incorporate GAO's contract competition data into its quality review process to help ensure that data reported into FPDS-NG is accurate; (3) update procurement standard operating procedures to document the requirements for acquisition plans and the publicizing of justifications for non-competition; (4) develop and implement steps to ensure that proposal price reviews are adequately performed and documented, Recommendation for Awards are completed and that GAO offering letters to SBA contain all the required information; and (5) follow-up on one contract we reviewed to confirm that required discounts were applied or that GAO was overcharged and seek reimbursement as appropriate. In its written comments, GAO did not state whether it concurred or did not concur with OIG recommendations. GAO indicated that it had completed corrective action for three recommendations, and considered no action necessary for the remaining two recommendations. When received, the OIG will review documentation supporting the agency's statement of actions taken in response to OIG recommendations, which GAO is required to submit within 60 calendar days of the report's issuance date.